

Navy to name one of the cruisers about to be constructed *Amsterdam* in respect to our pioneer Americans and to the credit of our industrial progress; to the Committee on Naval Affairs.

4906. Also, resolution of the Central Civic Association of Hollis, Long Island, earnestly requesting the early enactment into law of House bill 2717; to the Committee on the Post Office and Post Roads.

4907. Also, resolution of the Queens County Council of the Veterans of Foreign Wars, that when veterans employed at the Brooklyn Navy Yard are discharged through lack of work and later return to the yard after a period of 30 days has elapsed, that they shall return with none of the benefits or credits impaired; to the Committee on the Civil Service.

4908. Also, resolution of the Philippines Post, No. 1164, of the American Legion, Brooklyn, N. Y., favoring the passage of legislation toward the end that all Filipino World War veterans now excluded in the extension of Veterans' Act (Public Law, 388) may automatically become citizens of the United States; to the Committee on Immigration and Naturalization.

4909. By Mr. PFEIFER: Petition of the American Legion, New York City, advocating the retention of all post exchanges without restriction; to the Committee on Military Affairs.

4910. By Mr. LEAVY: Resolution of the Wenatchee Central Labor Council, of Wenatchee, Wash., requesting and urging modifications and amendment of existing Works Progress Administration legislation governing classifications and wage rates to Works Progress Administration workers and urging that there be only one classification for all Works Progress Administration workers; to the Committee on Labor.

4911. By Mr. PFEIFER: Telegram of the Wholesale Tobacco Distributors Association of New York, Inc., New York City, opposing Senate recommendation for additional tax on paper matches; to the Committee on Ways and Means.

4912. Also, petition of the Paper Plate and Bag Makers Union, Local No. 107, New York City, concerning the recovery program recently submitted by the President; to the Committee on Ways and Means.

4913. By Mr. RICH: Petition of citizens of Shinglehouse, Pa., favoring House bill 10058; to the Committee on Merchant Marine and Fisheries.

4914. By the SPEAKER: Petition of Mr. Bradshaw and others of Wood County, Ohio, concerning advertising campaign for the sale of alcoholic beverages by press and radio; to the Committee on Interstate and Foreign Commerce.

4915. Also, petition of the city of Manchester, N. H., petitioning consideration of their resolution with reference to House bill 4199, the General Welfare Act of 1937; to the Committee on Ways and Means.

## SENATE

MONDAY, APRIL 25, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 21, 1938, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. LEWIS. Mr. President, I feel the situation demands that I announce the absence of a quorum, and ask for a roll call to secure one.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bankhead	Brown, N. H.	Byrnes
Andrews	Barkley	Bulkeley	Caraway
Ashurst	Bilbo	Bulow	Chavez
Austin	Bone	Burke	Clark
Bailey	Borah	Byrd	Copeland

Davis	Hayden	Maloney	Schwellenbach
Dieterich	Herring	Miller	Sheppard
Donahay	Holt	Milton	Shipstead
Duffy	Hughes	Minton	Smathers
Ellender	Johnson, Colo.	Murray	Smith
Frazier	King	Neely	Thomas, Okla.
George	Lee	Norris	Thomas, Utah
Gibson	Lewis	Nye	Truman
Gillette	Lodge	O'Mahoney	Tydings
Glass	Logan	Overton	Vandenberg
Green	Loung	Pittman	Van Nuys
Guffey	Lundeen	Pope	Wagner
Hale	McCarran	Radcliffe	Walsh
Harrison	McGill	Reynolds	Wheeler
Hatch	McNary	Schwartz	White

Mr. LEWIS. I announce that the Senator from Oregon [Mr. REAMES] is detained from the Senate because of illness.

The Senator from South Dakota [Mr. HITCHCOCK], the Senator from California [Mr. McADOO], and the Senator from Georgia [Mr. RUSSELL] are detained in their respective States on official business.

I further announce that the Senator from Tennessee [Mr. BERRY], the Senator from Michigan [Mr. BROWN], the Senator from Texas [Mr. CONNALLY], the Senator from Alabama [Mr. HILL], and the Senator from Florida [Mr. PEPPER] are detained from the Senate on important public business.

The Senator from Tennessee [Mr. McKELLAR] is a member of the Board of Visitors to the United States Naval Academy, and is, therefore, detained from the Senate today.

Mr. McNARY. I announce that the Senator from Kansas [Mr. CAPPER] and the Senator from California [Mr. JOHNSON] are necessarily absent.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness, and the Senator from Delaware [Mr. TOWNSEND] is absent in the performance of official duty as a member of the Board of Visitors to the United States Naval Academy.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes, in which it requested the concurrence of the Senate.

### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 3915. An act conferring jurisdiction upon the United States District Court for the Eastern District of Virginia to hear, determine, and render judgment upon the claim of the Tidewater Construction Corporation;

H. R. 5338. An act for the relief of George Shade and Vava Shade;

H. R. 5731. An act for the relief of Ruth Rule, a minor;

H. R. 5737. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of George W. Hall against the United States;

H. R. 5793. An act for the relief of Nathaniel M. Harvey, as administrator of the estate of Josephine Fontana, deceased;

H. R. 6370. An act for the relief of John Calareso, a minor;

H. R. 8993. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1939, and for other purposes; and

H. R. 9544. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1939, and for other purposes.

# ELIMINATION OF TAX-EXEMPT FEATURE FROM SECURITIES AND OFFICIAL SALARIES

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read and referred to the Committee on the Judiciary, as follows:

## To the Congress of the United States:

The sixteenth amendment to the Constitution of the United States, approved in 1913, expressly authorized the Congress "to lay and collect taxes on incomes from whatever source derived." That is plain language. Fairly construed this language would seem to authorize taxation of income derived from State and municipal as well as Federal bonds, and also income derived from State and municipal as well as Federal offices.

This seemingly obvious construction of the sixteenth amendment, however, was not followed in judicial decisions by the courts. Instead a policy of reciprocal tax immunity was read into the sixteenth amendment. This resulted in exempting the income from Federal bonds from State taxation and exempting the income from State bonds from Federal taxation.

Whatever advantages this reciprocal immunity may have had in the early days of this Nation have long ago disappeared. Today it has created a vast reservoir of tax-exempt securities in the hands of the very persons who equitably should not be relieved of taxes on their income. This reservoir now constitutes a serious menace to the fiscal systems of both the States and the Nation, because for years both the Federal Government and the States have come to rely increasingly upon graduated income taxes for their revenue.

Both the States and the Nation are deprived of revenues which could be raised from those best able to supply them. Neither the Federal Government nor the States receive any adequate, compensating advantage for the reciprocal tax immunity accorded to income derived from their respective obligations and offices.

A similar problem is created by the exemption from State or Federal taxation of a great army of State and Federal officers and employees. The number of persons on the pay rolls of both State and Federal Government has increased in recent years. Tax exemptions claimed by such officers and employees—once an inequity of relatively slight importance—has become a most serious defect in the fiscal systems of the States and the Nation, for they rely increasingly upon graduated income taxes for their revenues.

It is difficult to defend today the continuation of either of these rapidly expanding areas of tax exemption. Fundamentally our tax laws are intended to apply to all citizens equally. That does not mean that the same rate of income tax should apply to the very rich man and to the very poor man. Long ago the United States, through the Congress, accepted the principle that citizens should pay in accordance with their ability to pay, and that identical tax rates on the rich and on the poor actually worked an injustice to the poor. Hence the origin of progressive surtaxes on personal income as the individual personal income increases.

Tax exemptions through the ownership of Government securities of many kinds—Federal, State, and local—have operated against the fair or effective collection of progressive surtaxes. Indeed, I think it is fair to say that these exemptions have violated the spirit of the tax law itself by actually giving a greater advantage to those with large incomes than to those with small incomes.

Men with great means best able to assume business risks have been encouraged to lock up substantial portions of their funds in tax-exempt securities. Men with little means who should be encouraged to hold the secure obligations of the Federal and State Governments have been obliged to pay a relatively higher price for those securities than the very rich because the tax immunity is of much less value to them than to those whose incomes fall in the higher brackets.

For more than 20 years Secretaries of the Treasury have reported to the Congress the growing evils of these tax exemp-

tions. Economists generally have regarded them as wholly inconsistent with any rational system of progressive taxation.

Therefore I lay before the Congress the statement that a fair and effective progressive income tax and a huge perpetual reserve of tax-exempt bonds cannot exist side by side.

The desirability of this recommendation has been apparent for some time, but heretofore it has been assumed that the Congress was obliged to wait upon that cumbersome and uncertain remedy—a constitutional amendment—before taking action. Today, however, expressions in recent judicial opinions lead us to hope that the assumptions underlying these doctrines are being questioned by the court itself and that these tax immunities are not inexorable requirements under the Constitution itself, but are the result of judicial decision. Therefore it is not unreasonable to hope that judicial decision may find it possible to correct it. The doctrine was originally evolved out of a totally different set of economic circumstances from those which now exist. It is a familiar principle of law that decisions lose their binding force when the reasons supporting them no longer are pertinent.

I therefore recommend to the Congress that effective action be promptly taken to terminate these tax exemptions for the future. The legislation should confer the same powers on the States with respect to the taxation of Federal bonds hereafter issued as is granted to the Federal Government with respect to State and municipal bonds hereafter issued.

The same principles of just taxation apply to tax exemptions of official salaries. The Federal Government does not now levy income taxes on the hundreds of thousands of State, county, and municipal employees. Nor do the States, under existing decisions, levy income taxes on the salaries of the hundreds of thousands of Federal employees. Justice in a great democracy should treat those who earn their livelihood from government in the same way as it treats those who earn their livelihood in private employ.

I recommend, therefore, that the Congress enact legislation ending tax exemption on Government salaries of all kinds, conferring powers on the States with respect to Federal salaries and powers to the Federal Government with respect to State and local government salaries.

Such legislation can, I believe, be enacted by a short and simple statute. It would subject all future State and local bonds to existing Federal taxes, and it would confer similar powers on States in relation to future Federal issues.

At the same time such a statute would subject State and local employees to existing Federal income taxes, and confer on the States the equivalent power to tax the salaries of Federal employees.

The ending of tax exemption, be it of Government securities or of Government salaries, is a matter not of politics but of principle.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 25, 1938.

# SUPPLEMENTAL ESTIMATES—DEPARTMENT OF AGRICULTURE (S. DOC. NO. 170)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, submitting two supplemental estimates of appropriations for the Department of Agriculture, fiscal year ending June 30, 1939, the Weather Bureau, \$147,000, and the Bureau of Entomology and Plant Quarantine, \$150,000, in total amount \$297,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

## COMPENSATION OF MEMBERS OF NATIONAL ADVISORY HEALTH COUNCIL

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to adjust the compensation of the members of the National Advisory Health Council not in the regular employment of the Government, which, with the accompanying paper, was referred to the Committee on Commerce.



## OSCAR L. MATHER

The VICE PRESIDENT laid before the Senate a letter from the Acting Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of Oscar L. Mather, Madison Lake, Minn., against the United States, which, with the accompanying report, was referred to the Committee on Claims.

## PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a petition of sundry citizens of Brooklyn, N. Y., praying for the enactment of the bill (S. 3466) to amend the Merchant Marine Act, 1936, to allow certain Filipino seamen to serve on American vessels, which was referred to the Committee on Commerce.

He also laid before the Senate resolutions adopted by the Board of Mayor and Aldermen of Worcester, Mass., and the Board of County Commissioners of Cascade County, Mont., favoring the enactment of House bill 4199, the so-called General Welfare Act, which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Canton (Ohio) Worker's Alliance, protesting against the enactment of the bill (S. 25) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense, and promote peace, which was referred to the Committee on Finance.

He also laid before the Senate petitions of sundry citizens of the State of Oregon, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by the press and radio, which were referred to the Committee on Interstate Commerce.

He also laid before the Senate a paper in the nature of a petition from R. Nauman, of Chicago, Ill., praying that Congress cooperate with the President, which was ordered to lie on the table.

Mr. WALSH presented a resolution adopted by Local No. 3, United Office and Professional Workers of America, C. I. O., of Boston, Mass., favoring the enactment of relief appropriations proposed by the President of the United States, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the board of directors of the Massachusetts Federation of Taxpayers Associations, Inc., Boston, Mass., protesting against the enactment of relief appropriations except to the extent to continue the existing work-relief program, which was referred to the Committee on Appropriations.

## REPORTS OF COMMITTEES

Mr. MILLER, from the Committee on Military Affairs, to which was referred the bill (H. R. 5056) for the relief of A. R. Wickham, reported it without amendment and submitted a report (No. 1634) thereon.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 4340. A bill for the relief of J. F. Stinson (Rept. No. 1635);

H. R. 4564. A bill for the relief of the Floridian Press of Jacksonville, Inc., Jacksonville, Fla. (Rept. No. 1636);

H. R. 7500. A bill for the relief of Shelba Jennings (Rept. No. 1637);

H. R. 7521. A bill for the relief of Joe F. Pedlichek (Rept. No. 1638);

H. R. 7601. A bill for the relief of Eula Scruggs (Rept. No. 1639); and

H. R. 7796. A bill for the relief of Frank Scofield (Rept. No. 1640).

Mr. BURKE, from the Committee on the Judiciary, to which was referred the joint resolution (S. J. Res. 65) proposing an amendment to the Constitution of the United States relative to equal rights for men and women, reported it without recommendation and submitted a report (No. 1641) thereon.

Mr. O'MAHONEY, from the Committee on the Judiciary, to which was referred the bill (S. 3192) to authorize the appointment of an additional judge for the District Court of

the United States for the District of Montana, reported it with amendments and submitted a report (No. 1642) thereon.

Mr. MCGILL, from the Committee on the Judiciary, to which was referred the bill (S. 3373) to provide for holding terms of the district court of the United States at Hutchinson, Kans., reported it with an amendment and submitted a report (No. 1643) thereon.

He also, from the same committee, to which was referred the bill (H. R. 8565) defining the compensation of persons holding positions as deputy clerks and commissioners of United States district courts, and for other purposes, reported it without amendment and submitted a report (No. 1644) thereon.

Mr. NEELY, from the Committee on Civil Service, to which was referred the bill (S. 457) to amend sections 1 and 6 of the Civil Service Retirement Act, approved May 29, 1930, as amended, reported it with amendments and submitted a report (No. 1645) thereon.

Mr. PITTMAN, from the Committee on the Judiciary, to which was referred the bill (S. 3204) to amend section 92 of the Judicial Code to provide for a term of court at Kalispell, Mont., reported it with amendments and submitted a report (No. 1646) thereon.

## PRELIMINARY MINORITY VIEWS OF SPECIAL COMMITTEE TO INVESTIGATE UNEMPLOYMENT AND RELIEF

Mr. LODGE, from the Special Committee to Investigate Unemployment and Relief, which was directed by Senate Resolution 36 to make an investigation of unemployment and relief, submitted preliminary minority views, which were ordered to be printed as part 2 of Report No. 1625.

## ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills:

On April 19, 1938:

S. 3400. An act to extend from June 16, 1938, to June 16, 1939, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended.

On April 20, 1938:

S. 1279. An act to authorize the sale, under the provisions of the act of March 12, 1926 (44 Stat. 203), of surplus War Department real property;

S. 2531. An act to authorize the transfer of certain military reservations to other agencies of the Government and to the people of Puerto Rico, and for other purposes;

S. 3160. An act to provide for the exchange of land in the Territory of Alaska;

S. 3272. An act to clarify the status of pay and allowances under the provisions of the act of September 3, 1919; and

S. 3530. An act to amend the National Defense Act of June 3, 1916, as amended, by reestablishing the Regular Army Reserve, and for other purposes.

On April 21, 1938:

S. 3590. An act to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920, so as to make available certain other officers for General Staff duty.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCHWELLENBACH:

A bill (S. 3889) granting a pension to Elsie H. Scharf; to the Committee on Pensions.

By Mr. ANDREWS:

A bill (S. 3890) to extend the provisions of the act of June 3, 1906 (34 Stat. 225), entitled "An act for the preservation of American antiquities," and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. WALSH:

A bill (S. 3891) to provide for the reimbursement of certain enlisted men of the Navy for the value of personal

effects lost in a fire at the naval air station, Hampton Roads, Va., May 15, 1936; to the Committee on Naval Affairs.

By Mr. GILLETTE:

A bill (S. 3892) creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill.; to the Committee on Commerce.

By Mr. TYDINGS (by request):

A bill (S. 3893) to authorize the Territory of Alaska to incur bonded indebtedness, and for other purposes; and

A bill (S. 3894) to convey to the University of Alaska a tract of land for use as the site of a fur farm experiment station; to the Committee on Territories and Insular Affairs.

By Mr. NEELY:

A bill (S. 3895) granting an increase of pension to Eddie L. Fetty; and

A bill (S. 3896) granting an increase of pension to Sarah Roush; to the Committee on Pensions.

By Mr. McCARRAN:

A bill (S. 3897) to amend an act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved June 22, 1936; to the Committee on Commerce.

By Mr. BROWN of New Hampshire:

A bill (S. 3898) to extend the times for commencing and completing the construction of a bridge across the Piscataqua River at or near Portsmouth, N. H.; to the Committee on Commerce.

By Mr. WHEELER:

A bill (S. 3899) for the relief of V. E. Johnson; to the Committee on Claims.

A bill (S. 3900) for the benefit of the Indians of the Crow Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

By Mr. BULOW:

A bill (S. 3901) for the relief of Celia Koehler; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 3902) to provide for placing educational orders to familiarize private manufacturing establishments with the production of munitions of war of special or technical design, noncommercial in character; to the Committee on Military Affairs.

#### HOUSE BILL REFERRED

The bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

#### AGRICULTURAL DEPARTMENT APPROPRIATIONS—AMENDMENTS

Mr. WHEELER submitted amendments intended to be proposed by him to the bill (H. R. 10238) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1939, and for other purposes, which were referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 45, line 4, to strike out "\$638,403", and insert in lieu thereof the following: "\$668,403, of which not less than \$58,350 shall be available only for the activities of the Northern Rocky Mountain Forest and Range Experiment Station."

On page 96, line 16, to strike out "\$2,500,000" and insert in lieu thereof "\$10,000,000."

#### APPROPRIATIONS FOR CIVIL FUNCTIONS OF WAR DEPARTMENT—AMENDMENT

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 10291) making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill, to insert, under the heading "Quartermaster Corps, cemetery expenses", the following:

"Construction, Fort Bliss National Cemetery, as authorized by the act of June 15, 1936 (49 Stat. 1514), \$93,400, and by striking out the amount '\$1,366,698', under 'Cemetery expenses', and inserting in lieu thereof the amount '\$1,460,098.'"

#### CIVIL AERONAUTICS AUTHORITY—AMENDMENT

Mr. SCHWELLENBACH submitted an amendment intended to be proposed by him to the bill (S. 3845) to create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics, which was ordered to lie on the table and to be printed.

#### TRIBUTE TO COLORED RACE—ADDRESS BY SENATOR THOMAS OF OKLAHOMA

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the Record an address delivered by him at the ceremonies in connection with the unveiling of portraits of recorders of deeds of the District of Columbia on December 15, 1936, in the auditorium of the Department of Labor, Washington, D. C., which appears in the Appendix.]

#### THOMAS JEFFERSON—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. GREEN asked and obtained leave to have printed in the Record an address on Thomas Jefferson, delivered by Senator THOMAS of Utah at Providence, R. I., April 24, 1938, which appears in the Appendix.]

#### POLITICAL CONDITIONS—ADDRESS BY HON. JAMES A. FARLEY

[Mr. BARKLEY asked and obtained leave to have printed in the Record an address by Hon. James A. Farley before the Nassau County Democratic Club, Garden City, Long Island, N. Y., April 20, 1938, which appears in the Appendix.]

#### BUSINESS AND CREDIT—ADDRESS BY HON. JESSE H. JONES

[Mr. MINTON asked and obtained leave to have printed in the Record a radio address on the subject of business and credit, delivered by Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, on April 18, 1938, which appears in the Appendix.]

#### ADDRESS BY HON. JESSE H. JONES AT LYNCHBURG CHAMBER OF COMMERCE DINNER

[Mr. BYRD asked and obtained leave to have printed in the Record an address delivered by Hon. Jesse H. Jones at the annual dinner of the Chamber of Commerce of Lynchburg, Va., on April 21, 1938, which appears in the Appendix.]

#### ANALYSES OF WORKINGS OF NEBRASKA'S UNICAMERAL LEGISLATURE

[Mr. NORRIS asked and obtained leave to have printed in the Record analyses of the workings of the unicameral Legislature of Nebraska, one by Prof. L. E. Aylsworth, of the University of Nebraska, and the other by Prof. John P. Senning, of the University of Nebraska, which appear in the Appendix.]

#### REDUCTION OF PAY-ROLL TAXES UNDER SOCIAL SECURITY ACT

[Mr. VANDENBERG asked and obtained leave to have printed in the Record a letter written by him to the Chairman of the Social Security Board relative to a reduction in the pay-roll taxes under the Social Security Act, which appears in the Appendix.]

#### PROPOSED INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. DAVIS. Mr. President, I should like to inquire of the senior Senator from Kentucky, the majority leader, whether or not any Senator on the majority side is going to present a resolution providing for the creation of a Senate special committee to investigate campaign expenditures?

Mr. BARKLEY. I have had in contemplation the presentation of such a resolution; in fact, the resolution has been drawn, and at a suitable time I shall present it to the Senate for adoption.

Mr. DAVIS. I shall speak upon the resolution after it shall have been presented.

#### CONSOLIDATED AIRCRAFT CORPORATION

Mr. SCHWELLENBACH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1852) for the relief of the Consolidated Aircraft Corporation having met,



after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

LEWIS B. SCHWELLENBACH,  
M. M. LOGAN,

*Managers on the part of the Senate.*

AMBROSE J. KENNEDY,

EUGENE J. KEOGH,

*Managers on the part of the House.*

The report was agreed to.

CLAIMS OF CERTAIN PROPERTY OWNERS WITHIN OLD HARBOR  
VILLAGE AREA OF BOSTON, MASS.—CONFERENCE

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 1948) conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of certain property holders within the Old Harbor Village area of Boston, Mass., and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BROWN of Michigan, Mr. ELLENDER, and Mr. WHITE conferees on the part of the Senate.

ROBERTA CARR—CONFERENCE

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 2191) for the relief of Roberta Carr, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. HUGHES, Mr. SCHWARTZ, and Mr. TOWNSEND conferees on the part of the Senate.

MIRIAM GRANT—CONFERENCE

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 6618) for the relief of Miriam Grant, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. HUGHES, Mr. SCHWARTZ, and Mr. TOWNSEND conferees on the part of the Senate.

HENRY M. HYER—CONFERENCE

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 2362) for the relief of Henry M. Hyer, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. LOGAN, Mr. BURKE, and Mr. CAPPER conferees on the part of the Senate.

W. D. PRESLEY—CONFERENCE

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 2665) for the relief of W. D. Presley, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BAILEY. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. LOGAN, Mr. BURKE, and Mr. CAPPER conferees on the part of the Senate.

PURCHASE OF AIRPLANES AND MUNITION IMPLEMENTS IN THE  
UNITED STATES BY REPRESENTATIVES OF FOREIGN NATIONS

Mr. LEWIS. Mr. President, I ask the Senate to indulge me for a moment—I hope not much more—as I wish to call attention to a matter which I regard as serious and worthy of immediate reflection.

Mr. President, the public press announces, and it is confirmed by information from Government quarters, that there are in the United States those who are here for the purpose of "purchasing supplies of armaments," bombing planes, and otherwise, from the manufacturers of the United States for the use of their own governments. It is stated that Turkey has her agents here, Russia with her special commissioner, the Government of Great Britain with those who are her spokesmen, and that these are here in the United States of America for the purpose of purchasing from the United States, its representatives, or what may be said, sir, to be its manufacturers, the machinery of ammunition and those particular implements necessary to these countries for war objects.

Mr. President, if these reports be true, and the report which comes to us this morning be true, that the minority party of Great Britain raises a protest against these representatives of Great Britain in the United States pretending to be here for the purpose of the purchase of these instruments of ammunition; and if it be true, sir, that there are those who are seeking to obtain from those of our Government these agencies of death for the uses of war in their own lands, I beseech this United States of America today to note what this may mean to the United States.

I trust my honorable colleagues will be indulgent enough to forgive me for referring to a personal experience.

Just before we were forced into the World War, I was serving on behalf of the United States Senate, named by it as the representative of this honorable body, in London at the Safety at Sea Conference. We did not feel that we would get into any war. We had every confidence that we would not. At that particular time, similar agencies came to this country, and, under the guise of purchase—please hear me, my colleagues—under the guise of "purchase" of that which was necessary for war, by this device they ascertained the full quality of our ability both to manufacture and to produce. In this way, sir, there was not an element of information that could be obtained from this country which was not gotten by these eminent sources under the guise of looking to see the possibility of purchasing from us. Finally, much of this purchase was had in some form.

I invite my colleagues to a consideration of the history of the matter. We woke to find we were in conflict; and in the cases of Austria and Turkey, purchased, sir, through the agencies to which I have referred, we discovered ourselves fighting our own ammunition and confronted with the construction of our own manufacturers, as these arms were the enemy arms.

Mr. President, I invite the Senate to the thought that if the representatives of foreign countries can come here and purchase agencies of destruction, however much at peace we now are, there is nothing to prevent the countries making the purchases from immediately transferring to the countries at war these very implements of destruction, thereby possibly causing us to confront, if unhappy circumstances should invite us into conflict, the very production by ourselves against ourselves.

Mr. President, in the neutrality law there is a privilege to the President of the United States, should any individual or private concern attempt to sell munitions to those at war, to stop them and to supervise them by a license system pro-

vided under the law. In this manner we may review who they are, what they are, and what their purposes are. But, Mr. President, if this which we now read, and which is conceded, shall continue, these governments ostensibly friendly now, but the commercial and military allies of lands which are at war, may transfer these things that they purchase from us to the lands which are at war. We have no control over the matter; and if misfortune should unhappily befall us, and fate should decree that we should become involved, we might find ourselves confronted by the very instruments of our own creation as a result of the manner in which we proceed to dispose of them without consideration, and with no regard for supervision.

I therefore rise to protest to this honorable body that we are on the eve of doing the very thing we did from 1914 to 1916, causing us to confront in 1917 and 1918 the very constructions of this United States which we had made, and allowed other nations to dispose of to those at war against us.

This ought not to be allowed. Something should be done to give a supervision to the President of the United States, or some proper source, against Government agencies, or those acting with our authority, disposing of these products to foreign countries whose object it is to prepare for war, and whose privilege it is to transfer their materials to nations which are now at war, and which, if misfortune should befall us or fate should so decree, might find themselves directly confronting us as enemies.

Mr. NORRIS. Mr. President—

Mr. LEWIS. I yield to the Senator from Nebraska.

Mr. NORRIS. Without attempting to belittle anything the Senator has said or to cast any reflection in any way, I should like to call the Senator's attention to things which have been occurring for several years, at least, which I think have the same tendency as the matters to which the Senator has referred.

For instance, it is a well known fact that for quite a number of years Japan has been purchasing scrap iron in the United States. Perhaps that is true of some other nations as well; but Japan in particular has been purchasing very large quantities of it, hundreds of shiploads, and this scrap iron has been manufactured into armaments in various forms. What could be done to prevent anything of that kind when there was no war, but, as a matter of fact, the government acquiring this material was preparing for war?

In other words, without consulting the Government of the United States or doing anything contrary to any law, materials have been purchased here that would be used in preparation for a war; and if war should break out we might ultimately be in a position where our soldiers would be killed by the very things which years before, perhaps, were taken from our country and manufactured into war materials in other countries. Should not that be prevented to just the same extent that the purchase, for instance, of flying machines, or anything similar to that, now should be prevented, when as a matter of fact war is taking place, although it is not called war? No war has been declared in China. None was declared in Ethiopia. None was declared against Austria.

Mr. LEWIS. Mr. President, I answer the Senator as follows: When we were not at war, and there was nothing to indicate that we were in danger, it was natural that the Government would not interfere with the ordinary course of commercial and industrial procedure; but when there is a conflict we can see, and when we know, as we do, the object of these purchases, we then recall that we have passed an act, which we call the "neutrality law," which forbids these very materials going from our citizens to the war-contending countries, and in order that the individual may be properly controlled at a time such as this he is forbidden extending such sales without a license, and in that manner we can somewhat supervise.

There is much to be said as to one observation of the Senator. I think he will discover that in the Committee on Military Affairs at the present time, and in other committees of this body, there is under consideration the matter

of the scrap iron now exported to foreign countries for the purpose of having it converted, some of it into ammunition and some into munitions. The Senator will find that this matter has not escaped attention, and I trust it will shortly receive such consideration as the seriousness of the subject naturally demands.

I am anxious to bring attention to the fact that the public press now confirms the statement which comes from our Government that the Britons are here to buy bombing craft. We find also that Turkey seeks to get ammunition which she can use for her purposes, whatever they may be. In the meantime, we find the agents of China and of Japan seeking, through England, to buy in this indirect manner that which it is our purpose to prevent our citizens from selling at this particular time.

True, no war has been declared by Japan against China, nor, as the able Senator has said, was there a declaration of war when the attack was made by Italy which resulted in the seizure of Ethiopia, nor, as my able friend will recall, was there when Japan opened her war on China, or when she invaded Manchuria. It seems to be the habit nowadays to attack at the first possible moment and then afterward let the attack be characterized as it may be. It is that against which I rise to speak. Why should not the same thing happen to us? And did it not come very near happening when the *Panay* incident occurred in Asiatic waters?

Now that we have the information that foreign agents are here for the purpose of investigating whether they can purchase at more favorable terms, I deny the right of such government agents to come to this country under the guise of purchasing, yet in truth to ascertain the full limits of our production, the methods of our procedure, the course we might take, or be prepared to take, when this information may be transferred to those who might shortly be the enemies of the United States.

In thanking the Senate for allowing me to interrupt at this time, I protest against these purchases by other countries, and I protest against my country doing nothing to investigate those doing the purchasing. I demand that this body shall take some action that shall prevent such purchases, which are ostensibly in the hands of friendly governments, but being transferred to other governments which are at war with each other, and which at any time may be in conflict with us. Our Government should have more supervision of such purchases, and this conduct should not be allowed, to our utter disadvantage in the event fate should decree us the misfortune which many of us fear, and all of us hope may be avoided.

It is for this that I have risen, and I thank the Senate for its courtesy in allowing me to express these views.

#### NAVAL EXPANSION PROGRAM

The Senate resumed the consideration of the bill (H. R. 9218) to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes.

Mr. LEE. Mr. President, during the consideration of this bill, which calls for increased naval appropriations, I believe it is appropriate to discuss at this time a proposal that is intended to promote peace, prevent profiteering, and increase our national defense by drafting the use of money in times of war.

First, it is my purpose to show that this proposal, S. 2911, would carry out the often-repeated demand of the veterans for legislation that would draft capital in case of war. Then, after explaining the bill, I shall answer objections that have been advanced against it, and, finally, I shall offer arguments in support of it.

#### REMOVE WAR INCENTIVE BY DRAFTING MONEY

President Roosevelt said in his message of January 28, when he recommended this increased naval appropriation, that—

I believe also that the time has come for the Congress to enact legislation aimed at the prevention of profiteering in time of war



and the equalization of the burdens of possible war. Such legislation has been the subject for many years of full study in this and previous Congresses.

Therefore the President evidently had in mind legislation of the nature which I intend to discuss at this time, as well as appropriations to increase the size of our Navy.

Mr. President, I ask leave to have printed in the RECORD at this place S. 2911, a bill to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The bill is as follows:

[S. 2911, 75th Cong., 1st sess.]

A bill to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government

*Be it enacted, etc.,* That whenever Congress shall declare war, or shall declare that the imminence of war has created an emergency which in the judgment of the President is sufficiently serious to necessitate an increase in the facilities for the national defense or an increase in the sums in the Treasury available for expenditure for the national defense, the President is authorized and requested to cause to be taken a census of the net wealth of the Nation. Such census shall be taken in such manner as the President shall by regulations prescribe and by such agency or agencies of the Government as he may designate or establish for such purpose. Such regulations shall require every citizen of the United States, every resident alien, and every nonresident alien having any wealth in the United States to file with such person or agency as the President may designate a sworn declaration in such form as the President may prescribe with respect to his gross wealth and financial obligations: *Provided*, That such declaration in the case of a nonresident alien shall be only with respect to his gross wealth in the United States and financial obligations therein. For the purposes of this act, an individual shall be deemed to own any property held in trust for him or his benefit. Upon the completion of such census the President is authorized to cause to be computed, and to prepare a list setting forth, the net wealth of each person covered by such census which is subject to section 2 of this act and the maximum sum which each such person may be required to invest in bonds under the provisions of section 3 of this act.

SEC. 2. The following portions of the net wealth of every citizen of the United States and of every resident alien, and of that part of the net wealth of every nonresident alien which is located in the United States, shall be subject to the borrowing power of the United States under this act:

In the case of net wealth not in excess of \$1,000, none.

In the case of net wealth in excess of \$1,000 and not in excess of \$10,000, 5 percent of such excess.

\$450 in the case of net wealth of \$10,000; and in the case of net wealth in excess of \$10,000 but not in excess of \$100,000, 10 percent in addition of such excess.

\$9,450 in the case of net wealth of \$100,000; and in the case of net wealth in excess of \$100,000 and not in excess of \$250,000, 15 percent in addition of such excess.

\$31,950 in the case of net wealth of \$250,000; and in the case of net wealth in excess of \$250,000 and not in excess of \$500,000, 20 percent in addition of such excess.

\$81,950 in the case of net wealth of \$500,000; and in the case of net wealth in excess of \$500,000 and not in excess of \$1,000,000, 25 percent in addition of such excess.

\$206,950 in the case of net wealth of \$1,000,000; and in the case of net wealth in excess of \$1,000,000 and not in excess of \$2,000,000, 30 percent in addition of such excess.

\$506,950 in the case of net wealth of \$2,000,000; and in the case of net wealth in excess of \$2,000,000 and not in excess of \$3,000,000, 35 percent in addition of such excess.

\$856,950 in the case of net wealth of \$3,000,000; and in the case of net wealth in excess of \$3,000,000 and not in excess of \$4,000,000, 40 percent in addition of such excess.

\$1,256,950 in the case of net wealth of \$4,000,000; and in the case of net wealth in excess of \$4,000,000 and not in excess of \$5,000,000, 45 percent in addition of such excess.

\$1,706,950 in the case of net wealth of \$5,000,000; and in the case of net wealth in excess of \$5,000,000 and not in excess of \$7,500,000, 50 percent in addition of such excess.

\$2,956,950 in the case of net wealth of \$7,500,000; and in the case of net wealth in excess of \$7,500,000 and not in excess of \$10,000,000, 55 percent in addition of such excess.

\$4,331,950 in the case of net wealth of \$10,000,000; and in the case of net wealth in excess of \$10,000,000 and not in excess of \$25,000,000, 60 percent in addition of such excess.

\$13,351,950 in the case of net wealth of \$25,000,000; and in the case of net wealth in excess of \$25,000,000 and not in excess of \$50,000,000, 65 percent in addition of such excess.

\$29,456,950 in the case of net wealth of \$50,000,000; and in the case of net wealth in excess of \$50,000,000 and not in excess of \$100,000,000, 70 percent in addition of such excess.

\$64,456,950 in the case of net wealth of \$100,000,000; and in the case of net wealth in excess of \$100,000,000, 75 percent in addition of such excess.

SEC. 3. (a) The Secretary of the Treasury shall from time to time determine the sums that will be necessary to prosecute to a successful conclusion any war declared by Congress or to meet any emergency declared by Congress which in the judgment of the President necessitates an increase in the facilities or expenditures for national defense, and shall issue bonds for such sums. Such bonds shall be issued in convenient sizes and denominations, shall be payable at the option of the Government but shall not be due for 50 years, shall bear interest at a rate not in excess of 1 percent per annum, and shall not be tax exempt either as to principal or interest. The President shall prorate among the persons covered by any census taken pursuant to this act the sums which such persons are required to invest in each separate issue of such bonds and shall proclaim the time limit within which such persons are required to purchase such bonds; and shall notify each person the amount of such bonds he is required to purchase. Each person shall then purchase such bonds in the amounts so allotted and within the time so prescribed. If the aggregate amount which any such person shall have been required to invest in all the bonds so issued during any one such war or to meet any one such emergency shall have equaled that part of his net wealth which is subject to the borrowing power of the United States under section 2 of this act, such person shall again become subject to the borrowing power of the United States under this act but in computing that part of his net wealth which is subject to the borrowing power of the United States there shall be deducted from his total wealth the amount of such bonds previously purchased by him.

(b) The borrowing power of the United States under this act shall not be exercised after the President proclaims the termination of the war or the emergency which has brought such power into existence.

SEC. 4. (a) The President is authorized to establish, in the several States, Territories, and possessions, such number of local boards of wealth appraisers as may be necessary for the purpose of accurately determining the net wealth of the Nation. Each such local board shall be appointed by the President and shall consist of three or more members, none of whom shall be connected with the Military Establishment, to be chosen from citizens residing in the area within the jurisdiction of such board as determined in accordance with rules and regulations prescribed by the President. Such boards shall have power within their respective jurisdictions to hear and determine, subject to review as provided in subsection (b) of this section, all questions arising under this act with respect to the ownership and valuation of wealth.

(b) The President is further authorized to establish in each Federal judicial district of the United States such number of district boards of appraisers as he may find necessary, and each such district board shall consist of such number of citizens of the United States, none of whom shall be connected with the Military Establishment, as the President may determine. The respective jurisdictions of such district boards shall be determined in accordance with rules and regulations prescribed by the President, and each such district board shall have power, under rules and regulations prescribed by the President, to review on appeal, and to affirm, modify, or reverse, any decision of any local board of appraisers having jurisdiction in any area within the jurisdiction of such district board. The decisions of such district boards shall be final except that, in accordance with such rules and regulations as the President may prescribe, he may affirm, modify, or reverse any such decision.

(c) The district courts of the United States, the United States courts of any Territory, and the District Court of the United States for the District of Columbia shall have jurisdiction of offenses and violations under this act and the rules and regulations prescribed thereunder, and, concurrent with State and Territorial courts, of all suits in equity and actions at law to enforce any liability or duty created by this act; but no question within the jurisdiction of any local board of appraisers shall be litigated in any such court unless the person litigating such question has invested in bonds as provided for by section 3 of this act and until a final decision with respect to such question has been rendered pursuant to subsection (b) of this section. Any such suit or action may be brought in the district wherein the defendant is found or is an inhabitant or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. No judgment or decree rendered by any such court in any proceeding instituted by any such person shall require the United States or any of its agents to make reparation to the plaintiff, other than to repurchase from him such bonds as he was not rightfully compelled to purchase. Judgments and decrees so rendered shall be subject to review as provided in sections 128 and 240 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, secs. 225 and 347). No case arising under this act and brought in any State court of competent jurisdiction shall be removed to any court of the United States.

SEC. 5. (a) The President is authorized, in his discretion, to provide, under such rules and regulations as he may prescribe, for the acceptance by the United States of property or services which are valuable for the prosecution of war or the improvement of the



national defense in payment for the bonds provided for by section 3 of this act. Such rules and regulations shall provide for the method of valuation of any such property or services.

(b) The President is further authorized to provide, under such rules and regulations as he may prescribe, for the acceptance from any person, in payment for the bonds authorized by section 3 of this act, of notes or other obligations of such person, bearing interest at the rate of 6 percent per annum and adequately secured by liens upon specified property.

(c) The President is authorized to issue currency, notes, or other obligations of the United States upon the security of property, notes, or other obligations accepted under subsections (a) or (b) of this section; but the amount of the currency, notes, or other obligations so issued shall not exceed the value of the security held against them, and the security so held shall be used or disposed of solely for the purpose of discharging or retiring such currency, notes, or other obligations.

(d) The President is authorized to take such action as may be necessary to enforce any lien accepted under this section and to sell or otherwise dispose of any property acquired under this section. In the event that any person fails to pay the amount of any note or other obligation made by him and accepted under subsection (b), and the property securing such note or obligation is insufficient to discharge the indebtedness in full, a sum sufficient to discharge the balance of such indebtedness shall be withheld in redeeming the bonds issued under this act to such person.

Sec. 6. The President is authorized to make such rules and regulations, in addition to those specifically provided for herein, as may be necessary to carry out the provisions of this act.

Sec. 7. (a) Whoever shall make any false statement in any sworn declaration required to be filed by the first section of this act, and whoever shall violate any provision of any rule or regulation made by the President under this act, shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than 2 years, or both.

(b) Whoever shall fail to purchase the amount of bonds which he is required to purchase under the provisions of this act or shall fail to purchase such bonds within the time prescribed under the provisions of this act shall upon conviction thereof be fined not more than \$100,000 or imprisoned not more than 5 years, or both: *Provided*, That the maximum penalties which may be imposed upon any person convicted of failing to purchase the required amount of such bonds shall be reduced in proportion to the extent of his compliance.

Sec. 8. The powers conferred upon the President and the duties and liabilities to which owners of wealth are subjected by this act are declared to be supplementary to and not in limitation of or in substitution for any powers, duties, and liabilities with respect to the national defense under any other act.

Sec. 9. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

Mr. LEE. It is therefore to the proposition of drafting the use of capital in times of war that I wish to address my remarks at this time.

The World War taught us that the only fair, just, and democratic way to raise an army is by a selective draft of manpower, and by the same token I propose to argue that the only fair, just, and democratic way to finance war is by a similar selective draft of capital.

#### VETERANS FAVOR REMOVING ECONOMIC CAUSE OF WARS

If it is a matter of medicine, we ask the doctor. If it is a matter of law, we ask the lawyer; but since this is a matter of war, why not ask the warrior? The ex-service men have spoken on this question with a unanimity that is scarcely believable. The soldiers of the World War have repeatedly asked for legislation to draft the use of money in case of war.

We have said repeatedly that if we can succeed in taking the profits out of war there will not be any more wars, except for defense. When wars are no longer profitable they are not so likely to occur. I am not so optimistic as to believe that wars can absolutely be abolished, but I do believe that by a sane approach we can reduce wars to the minimum and prolong the periods of peace.

Most wars have economic causes, such as land, territory, trade, profits, and so forth. Now, therefore, if we can remove these economic causes it is reasonable to believe that we may thereby prolong the periods of peace.

This bill (S. 1331) was introduced by Senators NYE, CLARK, BONE, VANDENBERG, and POPE. In brief this bill provides a fine-tooth comb tax system that proposes to take by means of taxes all the profits resulting from war and turn them over to the Government to help pay the cost, and thus remove the profit incentive to war and thereby promote peace.

In my opinion, this is a sane and logical approach to that proposition. I believe that the bill should receive immediate consideration at the hands of Congress. In my opinion, that bill is carrying out one phase of the recommendation of the ex-service men by taking at least a part of the profits out of war, but while it is good in the field that it covers, it does not cover the profits that result from the financing of war.

It is a tax bill and it will reach the war profits in the commercial and industrial field. But it will not and cannot reach the war profits resulting from tax-exempt war bonds. Financing the war constituted one of the greatest fields of war profits. But because the bonds are tax exempt, both as to principal and interest, we cannot reach the profits by the device of taxes. If we issue taxable bonds we cannot sell them unless we require by law that each individual buy them in proportion to his wealth, and that is drafting the use of capital.

You can never take the profits out of war until you take the profits out of financing war. You cannot take the profits out of financing war unless you draft the money with which to finance war. Therefore I prepared a bill to do just that thing. But my bill to draft money is in no wise in conflict or competition with S. 1331, which is a tax bill introduced as a result of the Senate investigation of war profits.

#### AMERICAN LEGION BILL DOES NOT DRAFT CAPITAL

There is another bill that I feel should be discussed at this time. That is, S. 25, known as the Hill-Sheppard bill, known in the House as the May bill, sometimes known as the universal service bill which is sponsored by the American Legion.

In 1937 the legislative counsel for the American Legion submitted it to the chairman of the Military Affairs Committee in both branches of Congress, and it was introduced as H. R. 9604 and S. 25 and became known as the Hill-Sheppard bill. Then after Congressman HILL was elected to the Senate, Congressman MAY became chairman of the Military Affairs Committee of the House, and the bill became known also as the May bill.

The American Legion has for years believed that in case of war we should have a universal draft of men, money, and materials. This Hill-Sheppard bill was proposed to the American Legion as a universal draft bill. Today it is referred to as the universal draft bill. In the first part of the bill it provides for freezing all prices in order to place a ceiling over the price structure in case of war that will prevent skyrocketing of prices, power to adjust prices is given to the President. Then it provides for the draft of manpower. The language providing for the drafting of men is definite. There is no chance to misunderstand it. Then the bill further provides in an indefinite manner for granting certain authority to the President to mobilize industry. It finally provides that all profits above 5 percent shall be taken by the Government.

This bill, S. 25, does not provide for the drafting of capital. It is not a universal draft act, because it does not draft the use of money in case of war. It does not draft capital. It does not draft credit. It does not draft wealth. It has absolutely no provision whatever for drafting money like it drafts men. It very definitely drafts manpower. It does not even indirectly draft wealth or the use of wealth for financing war. I must repeat, it provides no machinery whatever for financing war by means of a selective draft of capital. It is not my intention at this time to be making an argument either for or against S. 25. It is merely my intention to point out that S. 25 does not provide for the conscription of capital in case of war. Those who are supporting it on the belief that it is a universal draft act should read it and try to find wherein it provides for the conscription of capital.

It is my purpose in making this explanation to make it perfectly clear that this so-called American Legion bill does not provide for the drafting of capital and, therefore, is not a universal draft act and should not be referred to as such.



I am convinced that the rank and file members of the American Legion believe that this bill does provide for conscription of wealth in case of war. I have received many letters of endorsement by members of the American Legion, and it was quite evident from reading their letters that they were under the impression that S. 25 provides for conscription of wealth in case of war. I wish to clear the air on this question.

I have been in touch with American Legion activities ever since I was discharged from the Army. I believe I know how the ex-service men feel on this proposition. I have spoken to many American Legion posts, and whenever I have pointed out that this bill S. 25 does not provide for the drafting of money, the Legionnaires have expressed great surprise that no such draft is provided by S. 25.

#### NO CONFLICT BETWEEN THREE BILLS TO TAKE THE PROFITS OUT OF WAR

The bill I have proposed, S. 2911, is not in competition or in conflict with the Hill-Sheppard bill. My bill sets up the machinery for actually drafting the use of capital in case of war. It therefore could be considered as auxiliary or supplemental to the program of the ex-service men which is to prevent profiteering and equalize the burdens of war. I will repeat that these three bills are not in competition with one another. S. 1331 is a tax bill that would recover certain profits that result from war. S. 25 would put a ceiling on prices and prevent skyrocketing of prices and provide for the mobilization of industry. My bill S. 2911 provides for the actual drafting of the use of money in case of war. Therefore, I say again there is no competition or conflict between these bills.

#### AMERICAN LEGION RESOLUTIONS ENDORSE DRAFT OF CAPITAL

Now, in order to prove that the members of the American Legion want legislation that will draft capital in case of war, I wish to read some of the resolutions passed by the American Legion at its national conventions.

Mr. POPE. Mr. President, will the Senator yield.

Mr. LEE. I yield.

Mr. POPE. Does the Senator expect to offer his bill, to which he has just referred, as an amendment to the naval expansion bill now pending?

Mr. LEE. I do not. I am merely speaking at this time because we are considering legislation for national defense.

Mr. POPE. I am very much interested in the Senator's bill, and I have for a long time supported that type of legislation. That fact prompted me to ask the question.

Mr. LEE. I thank the Senator.

The first national American Legion convention that adopted a resolution referring to the conscription of wealth was at Kansas City, Mo., in 1921, and they recommended the appointment of a national committee to study—

\* \* \* the question of universal draft in time of national emergency of all persons, capable of military and industrial service, together with the universal draft of land, material, plants, and capital suitable for preparation and prosecution of war. \* \* \*

So definite were the ex-service men in their announcements for such legislation that Congressman Royal C. Johnson, of South Dakota, who introduced the bill in Congress that created the American Legion, also introduced on September 21, 1922, a proposed amendment to the Constitution of the United States, providing as follows:

That in the event of a declaration of war by the United States of America against any foreign government or other common enemy the Congress shall provide for the conscription of every citizen and of all money, industries, and property of whatsoever nature necessary to the prosecution thereof, and shall limit the profits for the use of such moneys, industries, and property.

This was the first effort to secure legislation to draft money in case of war. It was adopted by the American Legion convention in New Orleans, October 16, 1922. From that time on until 1930 Congressman Johnson continued to reintroduce it. Senator ARTHUR CAPPER, of Kansas, introduced a similar bill in the Senate. This bill was originated by those who first organized the American Legion and the language of this bill is very plain. It says:

The Congress shall provide for the conscription of every citizen and of all money \* \* \*.

This was not to be the statute but the enabling act under which the law was subsequently to have been passed. Some thought perhaps it was necessary to have an amendment to the Constitution granting the power to thus draft capital in case of war, but the point I want you to bear in mind is that the American Legion has been committed to the proposition of drafting money in case of war from its very organization and that the same man who introduced the bill which provided for the organization of the American Legion was also the man who introduced the proposed constitutional amendment which was adopted by the American Legion in its national convention and that that amendment called for the conscription of money and limitation of profits for the use of such moneys. There was no intention to confiscate the money thus drafted but to—

Limits the profits for the use of such moneys \* \* \*.

In 1929 the convention met at Louisville, Ky., and adopted the following resolution:

Whereas the American Legion has, since its first caucus in 1919, advocated the universal conscription in time of war of all of the resources of the Nation, including capital, etc.; therefore, be it resolved \* \* \*.

Let me emphasize the language of that resolution. Notice the phrase "including capital." The American Legion favors—

The universal conscription in time of war of all of the resources of the Nation, including capital \* \* \*.

Then again at the national convention which met at Miami, Fla., in 1934, the American Legion adopted the following resolution:

Whereas constantly since its organization the American Legion has presented to the Congress of the United States a plan providing for universal draft and conscription of capital, industry, and manpower in the event of war, and so forth \* \* \*: Therefore be it

Resolved, \* \* \*.

Again let me repeat the language of that resolution. The American Legion favors the plan providing for a universal draft and the conscription of capital.

No one can misunderstand that language. In 1936 the American Legion met at Cleveland, Ohio, and adopted the following resolution:

Whereas the American Legion has continuously since its organization advocated a universal service act providing for the draft of capital, industry, and so forth \* \* \*: Therefore be it

Resolved, \* \* \*.

Here again I call to your attention the unmistakable language of the resolution adopted by the American Legion in its national convention favoring the draft of capital in case of war.

At all of the other national conventions similar resolutions were adopted. Therefore, the American Legion as an organization is unequivocally committed to the proposition of drafting money in case of war.

Mr. President, because the American Legion has been so positive in its stand for the conscription of wealth in case of war, therefore it is all the more important that the rank and file of the American Legion understand that the bill which has been erroneously termed the Universal Draft Act does not provide for the conscription of wealth. I am convinced that the reason this bill, the so-called American Legion bill, is receiving the support of the members of the American Legion is because they are under the impression that it does provide for the draft of capital in case of war.

At the American Legion national convention in 1937 the American Legion adopted a resolution endorsing the Hill-Sheppard bill, as a means of carrying out the legion program of universal service.

But I am convinced that the members of the American Legion believe that this bill provides for the conscription of wealth. I am also convinced that the members of the American Legion would have adopted a resolution at the last national convention at New York City providing for the draft of capital had such a resolution been presented to them and had they known that the Sheppard-Hill bill does not provide for the conscription of wealth.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. FRAZIER. I should like to ask the Senator if he knows who was responsible for the adoption by the American Legion of the Sheppard-Hill bill without understanding it?

Mr. LEE. I have my own opinion but nothing more.

Mr. FRAZIER. The Senator thinks the rank and file of the members did not understand what was in the bill?

Mr. LEE. I am convinced that the rank and file of the members believe today that the bill provides for the conscription of wealth. As I have shown, the American Legion has advocated legislation to draft capital in case of war from its inception.

Mr. POPE. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. POPE. Let me say to the Senator that the letters and telegrams which I have received from American Legion posts clearly indicate that they believe that the Sheppard-Hill bill does provide for the conscription of wealth as well as the conscription of men.

Mr. LEE. I realize that; that is one reason I am taking so much time to emphasize and reemphasize the fact that nobody can find anywhere in Senate bill 25 a provision for the draft of capital. It very definitely provides for the draft of men, but not of capital.

Mr. FRAZIER. Mr. President, will the Senator again yield?

Mr. LEE. I yield.

Mr. FRAZIER. In connection with what the Senator from Idaho has said, I may say that I also have received a great many letters from ex-service men's organizations, and especially from the auxiliaries of the American Legion posts in my State. I have always replied to such letters, explaining the bill and expressing my surprise at the endorsement of the bill by the American Legion, in view of the action taken at former conventions. However, I have not received a single reply to my letters of explanation of the bill, which makes me a little curious to know what the attitude of such organizations is.

Mr. LEE. The two Senators are exactly right; the members of the American Legion are disappointed when they learn that the Sheppard-Hill bill does not provide for the conscription of wealth, which is the main thing for which the ex-service men have asked since the last war.

#### OTHER EX-SERVICE ORGANIZATIONS FAVOR DRAFT OF WEALTH

At the 1936 encampment of the Veterans of Foreign Wars they adopted the following resolution:

*Resolved*, That the thirty-seventh national encampment, Veterans of Foreign Wars of the United States, demand a universal conscription law to be enacted by Congress as a preventive of war which shall draft wealth and industry without profit and on the same basis as manpower in the event of war: And be it further

*Resolved*, By this encampment, that the Veterans of Foreign Wars of the United States continue to demand a policy of "profit for none" in connection with this Nation's possible future participation in war.

At the last national convention of the Veterans of Foreign Wars, a resolution was adopted calling for legislation that in case of war would draft money as well as men. I wish to read that resolution:

Whereas, in the event of unwanted war, the wealth of the Nation should be just as much subject to conscription and mobilization as its manpower; and

Whereas, under the provisions of S. 2911, introduced by the Honorable JOSH LEE, a graduated proportionate part of the wealth of every resident would in the event of war, be subject to conscription, by requiring the purchase of taxable Government bonds, paying interest of not more than 1 percent per annum, which would effectively and equitably draft the use of money and credit, thus speeding up the successful prosecution of any such war: Now, therefore, be it

*Resolved by this Thirty-eighth National Encampment of the Veterans of Foreign Wars of the United States*, That we vigorously advocate and press for the enactment of S. 2911, effectively to provide for the conscription of wealth in the event of war.

In addition to this the American War Mothers, in their convention at Detroit, Mich., in 1937, also endorsed this proposal to draft money in case of war. Therefore, I conclude

that those who know war most are unanimous in their support of legislation to draft money in case of war.

Not only have the veterans expressed themselves as favoring this proposal but both political parties have announced in favor of it.

The Democratic Party platform of 1924 included this statement:

War is a relic of barbarism and it is justifiable only as a measure of defense.

In the event of war in which the manpower of the Nation is drafted, all other resources shall likewise be drafted. This will tend to discourage war by depriving it of its profits.

The platform of the Republican Party for 1924 included this statement:

We believe that in time of war the Nation should draft for its defense not only its citizens but also every resource which may contribute to success. The country demands that should the United States ever again be called upon to defend itself by arms the President is empowered to draft such material resources and such services as may be required and to stabilize the prices of services and essential commodities, whether utilized in actual warfare or private activity.

And now President Roosevelt in a message to Congress in which he recommends the passage of the naval appropriations bill now under consideration also recommends legislation—

Aimed at the prevention of profiteering in time of war and the equalization of the burdens of possible war.

Therefore, in response to this oft-repeated demand for legislation to draft money in case of war, I prepared and introduced in the Senate on the 22d of last July "A bill to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government."

#### EXPLANATION OF THE BILL TO DRAFT MONEY IN CASE OF WAR

The bill in brief provides as follows:

That in case of war, of sufficient moment to call for an increase in the Military Establishment by draft of manpower, the President shall take a census of the wealth of the Nation requiring each citizen to register and file a sworn financial statement of his total net wealth.

Mr. HUGHES. Mr. President, will the Senator yield?

Mr. LEE. Gladly.

Mr. HUGHES. I understand from the Senator's bill—I do not know whether I am right or wrong—that the draft is not of industry but the draft is of individuals.

Mr. LEE. The draft is of a percentage of each individual's net wealth.

Mr. HUGHES. Then the industry would not be drafted. The corporation would not be drafted. The wealth in the hands of anybody except individuals would not be drafted under the Senator's bill.

Mr. LEE. That is correct; but corporations are owned by individuals, and the wealth of the corporations would be reached through the individuals.

It provides that the Government shall determine the amount of money necessary to be raised in order to meet the emergency.

The Government shall then issue bonds of convenient denomination for the total amount of money necessary to be raised, and each person is required to buy these bonds according to the allotment worked out in the schedule. These bonds run for 50 years and bear interest not to exceed 1 percent. They are not tax-exempt, and the Government can pay them off at its will.

Under the bill, the Government allots to each person the amount of money that he is required to lend to the Government, which is apportioned to different individuals in accordance with their net wealth.

This apportionment is graduated in a manner similar to the graduated income tax, laying the heaviest burden on those most able to lend. The schedule is worked out in the bill.

The first bracket is from \$1,000 to \$10,000 net wealth. Five percent of such wealth is subject to draft under this act. The next bracket is from \$10,000 to \$100,000, and 10 percent is



subject to draft in this bracket, and thus it is graduated up to \$100,000,000. Seventy-five percent of the net wealth above \$100,000,000 is subject to draft under this act.

This does not mean, of course, that the full amount that is subject to draft under this schedule would be called for, but only the proportionate part that would be needed. Only the fractional part of that which is subject to draft that would be necessary to raise the amount needed would be taken. For instance, a man whose net wealth is \$5,000 would be in the lowest bracket. According to the schedule, 5 percent of his wealth would be subject to the borrowing power of the Government. But it is not likely that the Government would need to borrow the full amount. Judging from the last war, his share would probably be one-half of 1 percent, or \$25. In return for that \$25 he would get a \$25 Government bond bearing 1-percent interest, due in 50 years, but subject to being paid off as soon as the Government could collect the necessary taxes.

Then in case it is necessary to draft more money than is provided by the first schedule, this act provides that the amount that has been loaned by each individual shall be subtracted from his net wealth and that he shall be reclassified under the schedule and subject to another draft of his wealth in accordance with his new classification, and so on, as long it is necessary to raise money for the prosecution of the war.

In case the individual has difficulty in raising the cash, the Government may accept services or goods or his personal note bearing 6-percent interest secured by his property in return for his allotted quota of the bonds. This provision is optional with the individual.

The bill authorizes the President to issue currency, notes, or other obligations of the United States secured by property, notes, or other obligations accepted in payment for these war bonds.

The bill further provides for local and district boards similar to the selective draft boards of the last war.

Provision is also made for necessary appeals to the Federal courts after the bonds have been purchased.

The bill further provides penalties for noncompliance similar to those penalties for noncompliance with the selective draft of men.

The power to draft money under this act can be used only during war emergency and automatically terminates with the end of the war.

These constitute the essential features of the bill.

#### STATUS OF THE BILL TO DRAFT MONEY IN CASE OF WAR

Senator SHEPPARD, chairman of the Military Affairs Committee, appointed a subcommittee composed of Senators LOGAN, MINTON, NYE, LODGE, and myself to hold a hearing on S. 2911. The hearings have been completed on this bill and the subcommittee has reported the bill favorably to the Military Affairs Committee, and it is at the present time before that committee.

#### OBJECTIONS ANSWERED

The War, Navy, and Treasury Departments have reported unfavorably to the Committee on Military Affairs on S. 2911. I wish to answer these objections.

#### WAR DEPARTMENT'S OBJECTIONS

The War Department's objection is expressed in the following paragraph from a letter signed by Louis Johnson, Acting Secretary of War, quoting:

It is the belief of the War Department that any war, to be prosecuted successfully by this Nation, must have the support of the people, financial as well as moral and physical, and that with such support forced loans such as provided in the bill S. 2911 would not be necessary. The War Department therefore is of the opinion that the bill S. 2911 is not in the interest of the national defense and recommends that it be not enacted into law.

In other words the War Department says it is opposed to the bill because war to be successful must have the support of the people and if we have that support there will be no difficulty in raising the money. Why is not that same argument just as good against the conscription of men? War to be successful must have the support of the people and if it has the support of the people there will be no difficulty in

raising an Army by the hit-and-miss method of a voluntary system.

But the War Department is not depending upon public sentiment as a means of raising an Army of men. It has already prepared a selective-draft plan. That plan is already worked out, already drafted and documented, ready on a minute's notice to be forced through Congress under lash and spur, that would draft the manpower of the Nation.

How inconsistent then for the War Department to argue that we should depend upon public appeal to finance war.

#### NAVY DEPARTMENT'S OBJECTIONS

The objection of the Navy Department is expressed in the following paragraph quoted from a letter signed by Mr. William D. Leahy, acting:

It is the opinion of the Navy Department that under the provisions of the bill S. 2911 serious delay in the final determination of the wealth and consequent obligation of each individual would be inevitable.

In other words, the Navy Department says it opposes the bill because there might be a delay in raising money by a system instead of a hodge-podge, hit-and-miss begging campaign. Why could not the same argument be made against the selective draft of men? It takes time to set in motion the machinery for raising an Army of men by the selective draft system, but when you get it operating you have system instead of chaos. It would take no longer to file the reports and classify the people according to their wealth than to classify the boys according to their accessibility and fitness for service. The Government already has much information regarding the net wealth of all individuals who pay income taxes, and since it is necessary to make out an income-tax report every year, there would be no reason for delay in returning these declarations of net wealth.

It would be simpler than the registration of men. Therefore, there would be no delay in financing war. The method would be one of system. It would be mathematically precise. Whereas under the voluntary subscription method, there is the possibility for delay in raising the funds. There is the element of uncertainty as to how the bonds will sell, how soon they will sell, and what interest rates it is necessary to offer in order to insure their sale by a certain date.

Mr. POPE. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. POPE. Did the Senator find in the communications from either department any objection along this line, that industry would not cooperate; that, unless they could make large profits in the desperate time of war, industry would not go ahead and manufacture the arms, ammunition, and materials necessary for the successful prosecution of a war? In the munitions investigation that objection was urged quite seriously.

Mr. LEE. No; they did not offer that objection in connection with this particular bill, because this bill is not aimed at commercial and industrial profits. The bill of which the Senator from Idaho is the joint author is aimed at those, and, therefore, the objection would come to his bill from that angle.

#### TREASURY DEPARTMENT'S OBJECTION

The objection of the Treasury Department is expressed in the following paragraph from a letter signed by Mr. Morgenthau, Secretary of the Treasury, quoting:

Reference is made in section 1 to a census of the "net wealth of the Nation," to "gross wealth and financial obligations," and to the "net wealth of each person covered by such census." The indefiniteness of these terms is obvious. Inasmuch as the term "wealth" is subject to a number of definitions, this legislation would be difficult to administer without some indication of the intent of Congress as to the things or objects classified as "wealth." The same situation exists with respect to the terms "financial obligations," "net wealth," etc. Difficulties would also undoubtedly arise in the administration of this legislation with respect to the method and basis for the "valuation of wealth" referred to in section 4 (a).

In other words, the Treasury Department objects to the bill because of the difficulty of defining wealth. That objection could be raised to almost any financing bill. To me that is

not a very serious objection. We know there is wealth and we know what it is without splitting hairs over the definition of it. It is true that some property might have a sentimental value to the owner, but from a legal and commercial standpoint the earning power or rental value of property is the accepted and recognized yardstick for measuring the value of property.

My plan for financing war must contemplate using the credit of the Nation, which is based upon the actual wealth of the Nation. The currency is merely the till money we use for convenience of exchange. It is not the wealth. In round numbers, I suppose that we have \$6,000,000,000 worth of currency in this country. If during the last war we had drafted it all, we would not have had enough; but that is not what I have in mind. I have in mind the potential financial wealth of the Nation.

Therefore, in thinking in terms of the wealth of America, we must think in terms of some \$350,000,000,000 of wealth which is represented by the physical properties and individual credit of all of the people of the Nation.

The same people who are now objecting to drafting the millionaire's wealth in case of war were perfectly willing in the last war to draft the boys and send thousands of them to their death, but now that we are considering a measure that would draft dollars as well as men we are running into opposition because their precious dollars are too sacred to be drafted. They are perfectly willing for the Government to take a widow's only son, her only means of support, and have him spill his blood on the battlefield; but when it comes to taking a portion of their wealth in order to pay for the food he eats before he is shot, we are told by the Treasury Department that such a measure is not practical because of the difficulty of defining wealth.

That objection is about as thin as soup made from the shadow of a pigeon's wing that died of starvation. It is easier to define wealth than it was for the local boards to determine which boys had to go in the first call and which ones had to go in the second call and the third and the fourth and the fifth call.

Every man has to define his wealth before he can get a loan at a bank. He has to submit a financial statement listing his assets and liabilities, and no one raises the question of defining net wealth.

These form-letter objections represent the passive resistance that for 17 years has prevented consideration and passage of legislation to draft capital in case of war. Either there are no valid arguments against such a measure or else those who are opposed to its passage have not the courage to come out boldly and say that to them money is more sacred than men.

#### MISCELLANEOUS OBJECTIONS

Objection that it would hamper industry is not sound: The argument that to conscript money in proportion to wealth might hamper industry is not well-founded. No doubt in case of war there would be many instances of individuals who would have their money tied up in plants or factories that would be needed during the war, but this bill merely requires the individual to lend a portion of his credit backed by his property to the Government and substitutes Government bonds for that credit. A man with Government bonds representing only a fractional part of his wealth in his safety box in exchange for an equal amount of credit that he has advanced to the Government, cannot be greatly strained financially because of that transaction.

In the first place, the bill deals only with net wealth, charging off the obligations each individual has. Then again with each individual in the United States bearing his proportionate share of the burden of the war, the amount required of one individual would not be sufficient to hinder his operations unless the war continued and became increasingly serious and in that case it would be equally burdensome on everyone. It is impossible to devise a method of financing war without placing a burden on someone. The purpose of this bill is to equalize that burden as far as possible.

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When we look at a thing like this we can in our minds think of inconveniences to which it would subject some but it is impossible to wage a war without inconveniences.

Then again if an individual's wealth is invested in a plant that will be needed for war purposes, the credit of that individual will be increased by virtue of the fact that his business can run full time and have a ready market for all the goods that can be produced.

Furthermore, it is difficult to imagine a situation where an individual would be unduly handicapped because of the operation of this law, particularly when the bill provides that the Government may accept services or goods, or individual notes secured by property or other obligations in return for these bonds.

Therefore, since the individual would receive Government bonds which are always good security and strengthen one's credit, and since it is probable that the individual's business would be increased to capacity with a ready demand for his goods, also strengthening his credit, and further, since the Government will take his note or services or goods in case he cannot raise the money by other means to pay for the bonds, there seems to be little cause for fear that this bill will hinder the operation of business.

#### NO AVOIDABLE HARDSHIPS DUE TO NONLIQUID CREDIT

There are those who object to drafting money in case of war because it might impose hardships upon certain individuals. There might be such a thing as a painless dentist but there is no such thing as a painless war. There is no such thing as a war without hardship. We talk about equalizing the burdens of war but we can at best hope to only partially equalize the burdens of war.

It is entirely possible that some individuals might be forced to sell their bonds at a discount and thus lose on them, but that cannot be helped. That was true under the voluntary system in the last war. That is true all the time. It is unfortunate that individuals get into financial difficulties and must sacrifice their property, but the passage of this bill will not change that situation either way.

It is further possible that these war bonds will sell for less than bonds that mature at an earlier date, but, of course, that is part of the burden of war that each individual is expected to share. The 50-year period gives the Government time to recover from the war before being required to meet the heavy financial debts of the war.

There is a provision in the bill that the Government may pay these bonds at its discretion any time it has the money. Therefore, by passing a war-profits tax bill and using the money thus collected from war profits to retire these bonds, it is likely that they would be paid off before maturity.

But the question has been raised, What about a person who has no ready cash, whose wealth is tied up in nonliquid property? In answer to that I would have you bear in mind that the bill does not contemplate drafting all of the individual's wealth but only the proportionate share to which his net wealth would subject him.

The present plan does not mean raising one dollar more in the aggregate than would be raised anyway to finance a war. It does mean that whatever amount is called for will be raised by an orderly, legal, and just method based on the ability of each individual to lend to his Government. In the last war many communities unofficially and arbitrarily assigned quotas which their citizens were expected to meet in the Liberty bond campaigns. These quotas were often based on mere guesses as to a person's wealth and ability to lend.

Under the bill I am proposing the same policy would be pursued as was really used during the World War, except that it would be placed on a more orderly and exact basis, and each citizen would therefore lend to the Government only in proportion to his actual financial ability.

I want to add, this plan would not allow for profits and, in addition, it would provide a system instead of the hodge-podge, high-pressure method used in the last war.



In this way the average man with a small amount of capital would probably be required to lend less to the Government than he did under the hit-and-miss method of the last war.

I should like to impress that this bill does not contemplate taking the entire wealth of anyone. It does provide for drafting a portion of the credit or lending ability of each individual, and of graduating this so that the largest loans would be made by those with immense amounts of capital. Judging from the last war, the average small-business man, property owner, or wage earner might not be required to lend more than 1 or 2 percent of his wealth, depending upon the duration of the conflict.

Let us take the example of a man whose net wealth is \$10,000. Suppose he has no cash but his property is real estate. Judging from the last war he would be expected to lend the Government about one-half of 1 percent of his wealth, which would be \$50. But let us say his proportionate share would be twice that amount, or 1 percent, which is \$100. He would be required to invest \$100 in war bonds. Surely a man worth \$10,000 would not have trouble borrowing \$100. But for argument's sake, let us say he is unable to borrow \$100. The bill provides that the Government may accept his services, his goods, or his note bearing 6 percent interest secured by his property in return for his share of the bonds. Then suppose he applies to the Government for his \$100 worth of war bonds and gives proof that he is unable to raise that much cash and offers his personal note, secured by his property, in payment for his share of the bonds. The Government may accept that note, which is negotiable, in payment for the bonds.

Therefore no injustice is done the individual whose wealth is tied up in nonliquid property.

#### NO CONFISCATION OF PROPERTY

Under this bill the Government is not taking anyone's property. The Government is simply drafting the use of the individual's credit according to ability to lend, just as the Government drafted the services of the soldier during the last war. There is one great difference in favor of property over life, even under this bill; that is, under this bill the Government gives the individual an I. O. U. for the use of his money or credit and guarantees to return to him all of the money that he has loaned to the Government to help prosecute the war; whereas the Government cannot guarantee to return the soldier 100 percent intact after the war.

Then, again, just as the Government pays the soldier a dollar a day for his services, this bill provides that the Government shall pay 1-percent interest for the use of each individual's money.

Therefore this bill does not in any sense constitute confiscation of property.

#### CONSTITUTIONAL OBJECTIONS

No violation of due-process guaranty: There are those who argue that a law to draft money in case of war would be unconstitutional because it would violate the due-process clause of the fifth amendment by taking a man's property without due process of law. But the Supreme Court has held time and again that the Government under the power of eminent domain may take an individual's property whether he wants to sell or not where it is for the public welfare. The Government has taken the individual's property for roads, for customhouses, for post offices, for public buildings, and public use. The Supreme Court's attitude has been that the individual's guaranty under the due-process clause is temporarily suspended when the public need demands it.

No violation of "just compensation" guaranty: There are those who argue that a law to draft wealth in case of war would be unconstitutional because in taking the use of a man's money for only 1 percent when he could get more, the Government would be taking his property "without just compensation" in contravention of the fifth amendment. But there again the courts have held that circumstances alter cases. For instance, in the case of *German Alliance against Lewis*, it was held that if necessary, property can be taken for public use without any compensation. For ex-

ample, if a building stood in the path of a fire and it is believed that the destruction of the building may stop the fire, the building may be destroyed by public authority without any compensation at all.

Therefore the Government in taking the use of a man's property in case of war would unquestionably be upheld on the ground that the public need demands it.

Involuntary servitude: Under the thirteenth amendment the Constitution very clearly states that involuntary servitude shall not exist in the United States but in the selective draft cases where draft resisters plead the immunity guaranteed by the thirteenth amendment, the courts held against them on the grounds that the Nation was at war and the individual guarantees were temporarily suspended in favor of the greater right of the Nation as a whole to defend itself against a foreign foe.

Freedom of the press: Again under the first amendment the freedom of the press is guaranteed, yet this individual right was temporarily suspended during war and the construction placed on the Constitution by the Supreme Court in the case of *Schneck against United States*, that where it becomes necessary for the military defense of the Nation, the individual right of the freedom of the press is subjugated to the greater national welfare.

In this particular case, *Schneck* had some literature printed which opposed the selective draft law. He was tried under the Espionage Act. He plead the freedom of the press, but the Court held against him because of the national emergency created by the war.

Hence, it is evident that rights and immunities enjoyed by individual citizens under the Constitution are subject to temporary limitation during times of war and great national emergencies.

Therefore, we are forced to the conclusion that since the courts have upheld the taking of a man's property without any compensation whatever under certain extreme circumstances, that the Government in taking the use of a man's credit and paying him 1 percent during the emergency caused by war, in which men are compelled to serve for a dollar a day and a chance to die, unquestionably is constitutional.

#### CONSTITUTIONAL AUTHORIZATION

The power of the Government to supply its own needs must be inherent in every Government if it is to continue its existence. Self-preservation is the first law of life. Self-preservation of a nation means that that nation has the power to utilize its full resources for its own protection. Because war is a community effort, there is an implied power that all material, all manpower, and all wealth within a nation is subject to the use of that nation for protection against invasion by an enemy.

In 1816 Congress passed an act to establish the Bank of the United States. There was no expressed power in the Constitution authorizing Congress to establish a national bank. The validity of the statute was challenged and was decided by the Supreme Court of the United States in *McCulloch v. Maryland* (4 Wheat. 316). Chief Justice Marshall wrote the opinion. The power of Congress was in that case sustained partly upon the ground that a national bank might become necessary in the exercise of the power to carry on a war. I quote:

But we think the sound construction of the Constitution must allow the National Legislature that discretion, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it, in the manner most beneficial to the people. Let the end be legitimate, let it be within the scope of the Constitution, and by all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the Constitution, are constitutional.

Thus we see the announcement of the conception in an early decision that Congress has the power to take whatever measures are necessary in order to finance a war, even to the establishment of a national bank. In fact, it is a general belief that Congress has the power to pass whatever laws are necessary for the protection of our Nation. The Supreme Court placed that construction upon the Constitution at that time.

Article 1 and section 8 of the Constitution of the United States confers upon Congress the following powers. I quote:

To declare war, \* \* \* to raise and support an army, \* \* \* to provide and maintain a navy, \* \* \* to suppress insurrections and repel invasions, and to make all laws which will be necessary and proper for carrying into execution the foregoing powers.

Suppose Congress, acting under this power, should raise an army of 3,000,000 men, as it did in the World War. How long would that army last without food, without clothes, without equipment? And how long can Congress provide food, clothes, and equipment unless with the power to raise an army there is also the power to raise enough money to equip and feed that army? The language of the Constitution is simple and straightforward. It says:

Congress shall have power \* \* \* to raise and support an army \* \* \* and to make all laws which will be necessary and proper for carrying into execution the foregoing powers.

There is the explicit grant of constitutional authority for this bill. The Constitution says Congress shall have power to raise an army—

And to make all laws which will be necessary and proper—

For supporting that army.

In the last war we had the interesting situation of a Government that raised an army of men by compulsory draft laws and the same Government supported that Army by voluntary appeals for money.

We raised an army by force and supported it by solicitation.

We raised an army by coercion and supported it by persuasion.

We raised an army by command and supported it by entreaty.

We raised an army by order and supported it by supplication.

We raised an army by law and supported it by grace.

We drafted men and begged for money.

To me it is unthinkable that Congress has the power to raise an army of men by compulsion, and does not have the power to raise finances by the same compulsion. The power to raise an army and the power to support an army are, in my opinion, coexistent. The one cannot exist without the other. Of what effect is an army without ammunition, without guns, without hand grenades, without transportation, without food?

In the last war the power exerted to draft men was mandatory. The power to raise money was volitional. We raised the Army by mandate and fed it by volition. What an inconsistency.

The power to equip, feed, clothe, and support an army, and the power to raise an army are inseparable ingredients of any war, and the power to feed, clothe, and equip an army means the power to raise money in a manner as equally mandatory as the manner used to call men to the colors.

If the selective draft law is constitutional, and it was upheld in all of the selective draft cases, then it is constitutional to draft money.

Have you ever considered how many individual constitutional guaranties were suspended when the Government drafted men? I am not complaining. That is as it should be. It can be no other way in wartime, but let me recount what happened to the soldier.

The Government took the soldier and deprived him of the right of contract in bargaining for the pay he received. It then deprived him of the right to use the money as he wished by requiring him to send home \$15 to his dependents. It then compelled him to pay an average of \$6.60 a month back to the Government for his insurance. It then placed censorship upon him and deprived him of the right of free press and free speech. It deprived him of the right of just compensation by requiring him to serve for a dollar a day when he could have received much more as a civilian.

Then it deprived him of the constitutional guaranty against involuntary servitude by forcing him into service. Then it deprived him of his constitutional right of liberty, and in thousands of cases, he was deprived of life itself.

Now, in the light of all of these temporary suspensions of the individual rights under the Constitution, rights far more sacred, in my opinion, than property rights, is there a man in the United States with a heart in him as big as a peach seed who would have the face to stand up and say that under the same Constitution, and under the same Court that has held the selective draft laws constitutional, it would be unconstitutional to conscript in a similar manner the financial resources of the United States?

IT WILL INCREASE OUR NATIONAL DEFENSE WITHOUT ADDITIONAL COST

Because not dependent upon begging campaign, one of the strongest arguments in favor of drafting the financial resources of a nation is that it would materially strengthen our national defense. Under this law our Government would never be delayed, hindered, or embarrassed for the want of finances to carry on a war. But by the passage of this law it would mean \$350,000,000,000 of wealth would be available if needed to coin into long black cannons, war planes, machine guns, and battleships.

Because psychological effect favorable: When this was known the psychology would be in our favor. If a foreign nation were contemplating war with the United States, and it was known that we had already on the statute books a law that upon the declaration of war would immediately make the financial resources of the Nation available to the Government for the purposes of national defense, that foreign nation would think twice before declaring war upon the United States.

Instead of our Government having to beg for money to finance a war of national defense, instead of having to coax money out of hiding by means of tempting interest rates, our Government would have the power, a latent power that would spring into life upon the declaration of war, such as this law, that would authorize the Government to use the financial resources of the Nation for the national defense.

In my opinion it is almost unthinkable that the United States, the richest Nation on the face of the earth, a nation worth over \$350,000,000,000, should be embarrassed during a national crisis for the want of enough money to defend its boundaries against the aggression of a foreign foe.

In the last war the Government, in order to raise money, was even compelled to find pretty girls, dress them up as attractively as possible, get them to go out in front of the curtains in theaters, and make 4-minute speeches, begging for enough money to buy food for the soldiers who were at that time facing death in the trenches.

Because could finance to limit of ability: Then again, if the war goes on, and if the situation becomes more crucial, it becomes increasingly more difficult to raise money by voluntary subscription and also more expensive, whereas, by this method there would be an accurate and definite method of financing to the limit of the Nation's ability, just as there would be a definite and precise method of raising manpower to the limit of the Nation's ability.

For example, let us take again the illustration of the man who could not raise the cash and gave the Government his note secured by his property. The Government then signs that note and it is as good as money.

The Government may then use it to buy war materials, or the Government may issue against that note which is amply secured by property, Government notes or debentures, or money, and in this manner the Government would be able to convert into liquid cash the nonliquid assets of the Nation. It would be thrice secured, first by the name and credit of the individual, second by the property, and finally by the Government itself.

Fortunately the World War ended before our voluntary system of financing broke down, as it did in some nations. But ours was breaking down; we were climbing up the scale of higher and higher interest rates on every issue of bonds, until on the last victory bonds, even though victory was in sight, it was necessary to pay 4½ percent in order to coax enough money out of hiding to finance that issue of bonds. But if the war had continued until we could have no longer



raised money by the voluntary system, then we would have been forced to issue money without security, but under this plan every dollar issued would be secured by a dollar's worth of property.

Many of the nations that had the voluntary system of financing did break down at home under the voluntary system and turned to the issuing of paper fiat money. This bill provides for the issuance of money, but every dollar of this would be backed by a dollar's worth of actual value throughout the country, real property and other types of property, which would make it possible for us to finance to the limit of the Nation's ability without issuing worthless money that would ultimately destroy our economic system.

There are those who believe that we should finance a war on a pay-as-you-go basis. That can be done only up to a certain point, but when we exhaust our ability to pay, the war would have to end whether we were victors or not. By spreading the payment over a long period we would be able to finance a much longer and much more effective war, thereby increasing our economic strength in case of war.

But there is no reason why we could not operate on a pay-as-you-go basis as far as that would carry us, as far as we could collect. But this provision, by spreading the cost of the war over a longer period, makes it possible for us to finance a much stronger resistance, and also would relieve us of that repercussion immediately after the war of having to pay it all up, I mean, pay for it all at once.

There are those who believe we can pay as we go, but on examination of England's record—and England came nearer paying as they went than any other nation has ever done in a war of that duration—they were able to pay only 36 percent of the cost of the war from the steepest tax system of all of the Allies, unless it was France, and when you count the difference in purchasing power of the English pound and the French franc, it might have been as steep as that of France.

France was able to pay as she went only 18 and a fraction percent of the cost of the war. In both France and England it was necessary for them to rely upon the Bank of England and the Bank of France, which, of course, are private institutions, but they are very sensitive to the control of government, you might say like our Federal Reserve System over here. But the Bank of England and the Bank of France know their money is no more secure than their governments, and there is a blood artery that connects the two. So it was through the power of government exerted on these two banking institutions that the financial strength of those two nations was maintained during the war.

France, particularly, was in a bad condition because her nation was invaded. I do not believe those who speak in favor of financing as you go have contemplated the situation where the war is brought to your own country. For instance, in France, the part of France that was invaded represented a high percentage of her industrial life and mining life, and even her agricultural life, and cut off the income of France from that part of her industrial, mining, and agricultural life, and made it even more difficult to finance as she went.

Therefore, it seems to me highly desirable that a nation have a system such as proposed in this bill for financing the war by spreading its cost over the future, but there is no objection at all, and in fact I think it highly desirable, that all of the profits that could be collected at the time, be collected and used for the immediate liquidation of the war bonds.

Now, in England they paid as high as 5 percent interest on some of the loans, some of their war bonds. The English and French were much more under the fear of what would happen to them if they did not win the war than the United States, and therefore the pressure on them to finance was much greater than it was in this country, and if the war had gone on in America until our voluntary system had broken down—and it was breaking down, as indicated by the fact that we had to increase the interest rate on every bond issue a little more than on the last one, in order to entice enough money out of hiding to sell that issue of bonds. Now,

had we gone on until we had broken down and could no longer raise the necessary money by voluntary system, then we would have had to turn to what other nations that did not have the financial ability to go on, did turn to, namely, the issuance of fiat money, or paper money without security.

France ran the value of her franc down considerably. Germany, as we know, following the war, absolutely destroyed her whole financial structure by turning to the printing presses when they could no longer get the money under the voluntary system.

Now, under the system provided in this bill, the Government can take a man's note if he does not have the cash to exchange for his bond, and the Government can, as provided in the bill, issue against that note and the mortgage that secures it, obligations, or money to the amount of the security, but no more. Now, that means that in the extreme circumstances our Government could make liquid the frozen assets throughout the Nation without issuing one single dollar that was not secured by property; it gives us the opportunity to finance to the extreme limit of our ability without turning to what is called printing-press money and destroying the economic fabric of the Nation.

War is bad, but invasion of our Nation would be worse. War is horrible but subjugation to a foreign foe is unthinkable, particularly when we have the means of defense, within our reach.

Therefore, I maintain that a law providing for the conscription of wealth in case of war is vital to our national defense.

#### IT WILL PROMOTE PEACE BY TAKING PROFITS OUT OF FINANCING WAR

Prevent profiteering on high interest rates: Then, again, this bill will promote peace because it will remove one of the greatest incentives of war, namely, the possibility of making profit by means of high interest rates during the war. Normally interest rates run from less than 2 percent up to 3 percent on Government bonds, but during the war it was necessary to pay as high as 4¾ percent in order to coax enough money out of hiding to finance the war. The Liberty and Victory bonds of the last war bore unusually high interest rates. The soldier not only faced the physical dangers of war but served for less than he was receiving in civilian life, whereas the men who financed the war faced no dangers and received twice as much for the use of their money as they could get in times of peace. This creates a tremendous profit incentive in favor of war.

It is impossible to give an exact statement of how much money the Government has paid up to date for war bonds because many of them have been refinanced, but from the totals furnished me by the Treasury Department I believe it is safe to estimate that we have already paid, in round numbers, \$12,000,000,000 interest on the war bonds, and none of this war profit can be reached by taxation.

Prevent profits resulting from inflation: In the last war many soldiers who did not have the money to buy Liberty bonds and Victory bonds were required to buy them. I say "required"—the pressure was so great that they were made to feel it was unpatriotic not to buy them, although in many cases they had to borrow against their soldier's pay in order to buy these bonds. Many farmers who had supplied sons for the service went to the banks and borrowed money and bought Liberty bonds and Victory bonds, and in most cases these farmers and these soldiers were unable to hold their bonds, but they discounted them and sold them in some cases for 80 cents on the dollar, and the big banks bought them up and made millions on them.

Not only that, but, due to the inflation caused by the war, the Government borrowed 50-cent dollars, and when we paid them back we paid back 100-cent dollars. This tremendous unearned increment is part of the war profits that we cannot reach by taxation, and the only way we can reach these profits is by conscripting wealth in case of war.

Therefore the passage of this bill would remove any possibility of profits resulting from financing the war. It would help to equalize the financial burden of war. Instead of holding out the tempting incentive of high interest

rates for the use of money in the case of war, it would say to the financiers of the United States, "If the United States goes to war, you will be compelled to finance it, and that not at a profit, but at a loss."

NO PAID PROPAGANDA

The surest way to prevent this country from being drawn into a future war is to draft money as well as manpower. When the financial tycoons and large manufacturers realize that they will have to lend the bulk of the money necessary to finance the next war, at an extremely low rate of interest, they will hesitate to use the forces at their command to propagandize the general public into a war hysteria.

Thus we will have taken another step in the direction of peace by having removed one more cause of war.

IT WILL PROMOTE JUSTICE BY EQUALIZING THE BURDENS OF WAR

May I conclude by pointing out the justice, the plain human justice of drafting money as well as men in case of war?

War does not increase the national wealth. The explosion of shells, the firing of artillery, and all of the methods of destruction not only destroy human life but destroy wealth. It makes less wealth in the world. Somebody must pay for that loss.

This loss is, therefore, borne by the soldiers who were unable to take advantage of war profits, who served at less than they could have earned as civilians. The loss caused by the war thereby falls upon the men who served in the Army. It was rather a shock to our patriotism to come home and find that the war cost America \$29,000,000,000 and to learn that only 5 percent of the cost of the war went to pay the men who fought the war. It was rather a shock to learn that 22,000 millionaires, according to the chairman of the Senate investigating committee, were made out of the war that cost the soldiers in blood and money.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. LEE. I yield.

Mr. LEWIS. I call the attention of the able Senator from Oklahoma, who has so splendidly enunciated the history of the proposed legislation to which he has referred, and the need for it, to the matter of certain well-favored individuals who came out of the World War with such blessings of riches, and I invite the Senator, a fellow soldier, to recall that when an attempt was made to give the soldiers the bonus which had been promised them, it was those gentlemen who had been so richly blessed in the matter of profits from the war, who banded together, and they and their agents used propaganda to defeat the payment of the bonus or the payment of any other compensation to the soldiers.

Mr. LEE. Absolutely. I thank the Senator from Illinois. I may say that the so-called "bonus" was not a bonus. Only its enemies named it a "bonus." It should not have been called a bonus. A bonus means something in addition.

The average soldier who served in the war took an economic loss of \$2,800, which he could have made if he had stayed out of the Army and worked at the wages then prevailing, of \$7 a day. The so-called bonus was an adjusted compensation for that economic loss which he suffered. It was a balance-due payment.

Mr. LEWIS. The Senator does justice in seeking to make it clear to the country that the adjusted compensation was not charity, or a favor. May I invite the Senator's attention to the fact that it was a contract which our Government made with the soldiers, in the same solemn manner in which the Government made contracts with eminent bondholders.

Mr. LEE. I thank the Senator for his contribution.

Every time the ex-service men have asked for a law to draft money as well as men in case of war, some self-styled constitutional lawyer has uncorked that old bottle of chloroform with which they have put Congress to sleep for 17 years, and said that such a law would be unconstitutional.

If the selective draft law is constitutional, and it was upheld in all of the selective draft cases, then it is constitutional to draft money.

I do not believe that such a law would be unconstitutional. One of the first tenets of our Government is to place human rights above property rights. It is woven through the warp and woof of the entire fabric of democratic government. I believe that if you can draft men, you can draft money. If you can draft one man's services, you can draft another man's property. If you can take one man's liberty, you can take another man's credit. If you can take one man's life, you can take another man's wealth. I believe that if you can take one man's blood, you can take another man's gold.

I know that it is possible to think of a thousand discomforts that might arise out of the application of a law that would draft money in case of war. You can multiply the examples of inconvenience that would result from it. You can point out seeming injustices, but I ask you to compare these to the inconveniences and injustices that human beings must endure as a result of war.

I ask you to go about over the Nation today and find the ex-service men who are pounding the pavements and thumbing their way across this country looking for employment, men who left good jobs to go in the service and came home and found those jobs filled. Ask them if the war was inconvenient.

Then again, the ex-service men who today are on the relief rolls, who once were beginning life with small businesses, who left those businesses in order to serve America and came home and found those businesses gone—ask them of the economic injustices.

Then again, go into the veterans' hospitals today and look upon the emaciated forms of men who are dying a slow and torturous death for 19 years and ask them if they have been inconvenienced.

Go into the TB wards and find the living dead and talk to them about inconvenience and economic injustice.

Then seek out the blind for whom the light of day has been forever shut off. I have in mind now a buddy whose whole face was shot away. He walks about with a cane, feeling his way up and down the streets. Talk to him about economic inconvenience.

Go into the shell-shocked wards and see the boys whose bodies came home but whose minds did not. Talk to them about the inconvenience of war.

Tonight when the sun goes down, 15 more soldiers will have died in the hospitals in the United States. That is the daily death rate. Stand at their graves tomorrow and ask the members of their families what they think about the economic injustice of drafting money as well as men.

Then seek out all of the soldiers who are hobbling around on wooden limbs and talk to them about inconvenience. Find the boys who are trying to make a living with one arm and ask them about economic inconvenience. Then go to the gold-star mothers for whom the war will never end. Sit up with them through the long vigils of the night while they are waiting for the boys who will not come home and ask them about the inconvenience of war, and then decide for yourselves, Senators, whether or not we should draft the financial resources of America in case of war in the same manner that we draft the soldiers.

Mr. LEWIS. Mr. President, I desire to address the Senate on some phases of the naval-expansion bill. In particular I wish to direct some remarks to certain expressions of the very able Senator from Michigan [Mr. VANDENBERG]. As I do not wish to take up that phase until the Senator is present, I shall now discuss another phase.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Oregon?

Mr. LEWIS. Yes. I was about to anticipate my friend.

Mr. McNARY. The Senator has referred to the distinguished Senator from Michigan. I think I should suggest the absence of a quorum.



Mr. LEWIS. I was about to say that I shall take up other subjects before I get to the Senator from Michigan, so that he may have an opportunity to be present.

Mr. McNARY. Does the Senator intend to speak at length?

Mr. LEWIS. That will depend on the circumstances. I accept the suggestion of the Senator with regard to suggesting the absence of a quorum.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	King	Pittman
Andrews	Dieterich	Lee	Pope
Ashurst	Donahay	Lewis	Radcliffe
Austin	Duffy	Lodge	Reynolds
Bailey	Ellender	Logan	Schwartz
Bankhead	Frazier	Loung	Schwellenbach
Barkley	George	Lundeen	Sheppard
Bilbo	Gibson	McCarran	Shipstead
Bone	Gillette	McGill	Smathers
Borah	Glass	McNary	Smith
Brown, N. H.	Green	Maloney	Thomas, Okla.
Bulkley	Guffey	Miller	Thomas, Utah
Bulow	Hale	Milton	Truman
Burke	Harrison	Minton	Tydings
Byrd	Hatch	Murray	Vandenberg
Byrnes	Hayden	Neely	Van Nuys
Caraway	Herring	Norris	Wagner
Chavez	Holt	Nye	Walsh
Clark	Hughes	O'Mahoney	Wheeler
Copeland	Johnson, Colo.	Overton	White

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Eighty Senators having answered to their names, a quorum is present.

Mr. LEWIS. Mr. President, a moment past I had on some phases of the naval-expansion bill. In particular I so-called naval-expansion bill. Here I extend thanks for the confidence exhibited by the chairman of the Naval Committee in committing this duty to me. I also said that I would address myself particularly to the subjects discussed by the able Senator from Michigan [Mr. VANDENBERG] in his opposition to the bill. That eminent Senator having just now returned to the Chamber, it is unnecessary for me to carry out the promise that I would not at once advert to those matters because of his absence. I prefer to discuss these objectives while he is present. Therefore, I address myself at this time to specific objections as urged against the bill, which I may say the able Senator based on the absence of defined diplomatic policy. The very competent and thorough speech of the Senator from Michigan proclaiming his oppositions and the grounds given for such, I dare say practically voiced the form of opposition which will come from those who will continue in their antagonism to the pending measure.

I am not so much interested at this time in the single division of cost nor whether a battleship shall be of 45,000 or 35,000 tons. I prefer to go at once to the point which I regard as being very potent, if well taken, and worthy of serious attention, that its error, as I see it, may be dissipated. I refer to the diplomatic aspects of the measure as asserted by the Senator.

The able Senator from Michigan expressed what I fancy from similar expressions of other able Senators who preceded him is the sentiment held by many opponents of the measure. No doubt that sentiment will be repeated by Senators who will follow, though I must say I cannot assume how his thorough speech, from the standpoint of the opposition, can be improved; certainly no repetition can add to its completeness. I therefore reply to the conditions assumed by the able Senator from Michigan.

First, says the Senator from Michigan, whom I shall naturally and justly treat as the leader of the opposition, on the aspect named, that before he can go further in supporting or considering this measure he wants to know what is the foreign policy of this Government—a most appropriate question; in my opinion, one so pertinent and understood that it is not now necessary to clarify it by other description.

Having busied myself, sirs, from time to time by intruding my views upon the Senate in matters of foreign affairs, I answer the question of what is the foreign policy of the

Government at this time by saying that the foreign policy of the United States is the policy which will meet the foreign policy of any foreign country whose policy is to oppose the American policy of the United States or to deny its just rights or obstruct its self-defense. I further declare that it is impossible for anyone to define the foreign policy of any country at this time which shall apply for the present and shall serve to mortgage the future. I ask my able friend, competent as he is to reply, what country can he name that has today an established and announced foreign policy?

Let us pause and reflect upon our understanding of some of the things that have occurred within our own official immediate service.

When the conflict began as between Italy and Ethiopia, the very able government of Great Britain announced its opposition, and sought to have applied what are called "sanctions." That is, an opposition from other countries as against any supplies or sustenance that might go to Italy in the carrying out of her war in conquering Ethiopia. Immediately following, we find that this very great country of Great Britain previously renowned for its permanent foreign policy, was compelled to change its tactics. Then England began to be the advocate of a system which is described as a collective security system for peace and defense. The eminent representative of the British foreign service at that time, known to political history as Minister Eden, announced the position of his country, when suddenly he found himself met by thorough opposition. A new foreign policy suggested through the then foreign minister, Mr. Hoare, was put in effect, and next we find both officials succeeded by Premier Chamberlain, whose policy is to go down to those whom his predecessors denounced as one of a treaty with Italy, that Great Britain may have a peaceful concord with the very enemy she had assailed under her previous foreign policy.

At the same time, sir, we turn to behold France. France, after for some length of time denouncing Russia, joins in a compact with Russia, whose policy now is that she shall have no compact whatever in opposition to France, nor, sir, to the central countries we speak of as the Little Entente.

Mr. President, we contemplate for the moment Italy. It was but a short while ago when Italy denounced the thought of Germany coming into Austria, on the ground that in the very nature of things the nearness of Austria to Italy would endanger Italy if Austria should pass into the hands of Germany. That which we of public life speak of as the threatened "Anschluss," or the new commercial contract between Germany and Austria, which would have made virtually one country of the two, was assailed by the eminent leader of Italy, Mussolini. It was announced that such would not be allowed. Now, however, we discover Austria joining Germany with the assent of Mussolini, and a new understanding between Mussolini and Germany joining together, sir, with Japan.

Shall we forget that but a short while ago the present rulers of Germany found it agreeable to repeat the observation of the former Kaiser touching Japan? This the Kaiser expressed as to Japan as the land of the "yellow peril," one that threatened the civilization of the world. Yet now, sir, the foreign policy of Germany is that she joins Japan in whatever steps Japan may take that serve the purpose of the combination of the three—Italy, Germany, and Japan—either in Europe or for Asia.

We turn to the last country referred to. We see about us, sir, those of Asia; and we turn to ask ourselves, What foreign policy has that country which seems to be the nearest of those in opposition to us, Japan? A short while ago the policy of Japan was to take charge as much as she could of the government of Asia; that is, so far as mere government policy was concerned as to imports and defense. When the time came that Japan could move out and take possession of Asia, beginning with Manchuria, her policy then was to receive the support of Great Britain and France in her undertaking. This was done by a promise of not interfering with the possessions which

France has—very large ones, through Indochina as well as directly in China—and those of Great Britain.

We thus behold, in all of China and far into Japan, sir, that not one country in the world that we would treat with through diplomatic channels has a foreign policy announced today which is the same as that of yesterday and which will be the same tomorrow.

Therefore, I answer my able friend, who says he wants to know what is the foreign policy of the United States, by asking, What country would he say he knows the exact foreign policy of at this hour?

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Michigan?

Mr. LEWIS. I yield, of course, to my able friend.

Mr. VANDENBERG. By the perfectly accurate roll call through which the Senator has traveled, does he mean to indicate that it either is necessary or is the fact that our foreign policy is in a similar state of flux?

Mr. LEWIS. I say to my able friend, yes; our policy must be to meet changing conditions from time to time, day to day, or from hour to hour, as the changing conditions of those who would oppose us, and seek to obstruct us or assail us, would require. The point at which my friend fails, if I may call his attention to it, is that he has unconsciously fallen into the error of confusing policy with principle.

Our principles as to foreign countries are one thing. Our policy in dealing with those principles as to when or how is another.

Mr. VANDENBERG. Mr. President, may I ask the Senator a further question?

Mr. LEWIS. Certainly.

Mr. VANDENBERG. Does the Senator support the theory of American foreign policy announced by the President in his Chicago speech last October?

Mr. LEWIS. Mr. President, I directly answer my friend, What did the President do? The President went to Chicago at a time when the countries of the world had just had a meeting; and prior to his arriving he had been correctly informed, let us hope, that it was the intention of foreign countries looking for peace to harmonize with us in some effort. In the speech of the President at Chicago he said that the peaceful countries should "quarantine," or take some steps to "quarantine," the countries which were seeking war and continuing the conflict of destruction. I invite my able friend to contemplate that what the President meant, as is perfectly plain from the speech and as he will see from my further reply, was not to assail any land, but to take such steps in conjunction with other countries as would cut off, by quarantine, the supplies or facilities for carrying on war that could be afforded them, and this by any action on the part of either finance, commerce, or industry.

Mr. VANDENBERG. May I ask the Senator at that point, what is the difference between "quarantine" and "sanctions"?

Mr. LEWIS. I say to the Senator that to apply sanctions would be to prohibit, in pursuance of a policy declared by the League of Nations, the various governments from furnishing supplies of any kind to Italy. The foreign policy contemplated by the President's speech, if we may call it a policy, would have involved an agreement on the part of each nation specifically to avoid furnishing supplies leading to war; while in the other instance my able friend will recognize that the application of sanctions would have involved abstention from furnishing any form of supplies to, or having any association with, Italy because of her invasion of Ethiopia.

Mr. VANDENBERG. May I ask the Senator what the difference is between "quarantines"—quoted from the President's speech—obtained through "concerted effort"—quoted from the President's speech—and the theory and principle of sanctions through the League of Nations?

Mr. LEWIS. I answer that question by calling the Senator's attention to what really transpired. I know the Senator will not intimate that I wish to vaunt myself in anywise

by calling attention to the fact that when the President intimated that he would join in a meeting to be held at Brussels, it fell to me to be designated in a small governmental capacity to go to Berlin, where a meeting was held regarding the municipal bonds which had been subscribed throughout our country in behalf of Germany, these bonds taken largely in the West, which my able friend from Michigan and I in part represent. It was felt that something could be done at this meeting looking to the collection of the interest.

Now I answer my friend. When the Brussels meeting came on, and these nations had assembled through their delegates, and it was assumed that they would join the President in some undertaking looking to carrying out the quarantine which I have described as something that looked to avoiding the supply of provisions that aided war, supported war, maintained war, what happened? I was present to behold the gentleman—our special envoy of the Government of the United States, Mr. Norman Davis—rise on the floor at Brussels and tender, by his masterful speech, the proposition of the President. What was done by these countries at that time, I ask my able friend? What was done by the eminent land, the great leader in the cause of peace and civilization, which had sent forth, through its spokesman, its congratulations to the President by referring to him as having sent out his "clarion call"? Not a single voice was raised in the Brussels meeting by one of the nations whom the President had reason to feel would have joined in the effort designated by the expression which he had coined when he used the word "quarantine."

Now let us concede that while not one of these nations rose to support him after the promise that induced him to go into this meeting at Brussels, he could get no support. The President could get no undertaking in their behalf that looked to the maintenance either of peace or of the quarantine. This much should be added, and we owe it: These governments had changed their policy. What was their foreign policy before the meeting, as described, suddenly was confronted with some changes in the threats of certain foreign countries as against themselves, and they found it necessary to consider, not the policy of the President of joining together for peace, but preparation for war. It is for that reason, I assume, that not one voice in Brussels came to the aid of his representatives to carry out his suggestion under the quarantine. That is the reason, I say to the able Senator, why nothing whatever was undertaken. There was no expression on the part of the President to bring about war. There was nothing in his expression tending toward a declaration of war. There was only the thought to do that which would prevent, if possible, the continuation of war by others.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. MINTON. I was just thinking about the matter of quarantine, which the Senator from Michigan had raised, as to whether or not the word "quarantine" does not have the aspect, as the Senator has said, of sanctions behind it, then the further aspect of those who observe the quarantine by simply staying away and avoiding the thing that is quarantined, or which ought to be quarantined. Therefore, may we not have the effect of quarantine without the sanctions by simply avoiding the thing that ought to be quarantined but which is not quarantined, and by inference that puts behind it the sanctions to which the Senator from Michigan referred.

Mr. LEWIS. It is my judgment that that was clearly the mind of the President at the time of his expression; that he went no further.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. VANDENBERG. I concede that varying degrees of interpretation can be put upon the word "quarantine" and upon the President's zeal for concerted effort. At the same time the phrase is sufficiently ambiguous, sufficiently broad in its jurisdiction, so that without an authentic definition by the author himself, namely, by the President, I am unable to



say conclusively that when there is a proposal to join America in concerted effort to "quarantine" others, namely, the aggressor nations of the earth, because he had previously identified them in his speech, that phrase could not comprehend a program of sanctions which we would be invited to join, and I cannot dissociate from my mind the fact that the President, in his fine loyalty to the theory of the League of Nations, when he campaigned for it in 1920 asserted in one speech that he proposed to devote the rest of his life to getting America into the League.

I am sure the Senator from Illinois would agree with me that he wants America to join in no concerted action for quarantine in the sense that it would be applied under the covenant of the League of Nations, and it is that assurance authentically that I would seek, fundamentally, in respect to an answer to the question as to what our foreign policy is at the present time.

Mr. LEWIS. Mr. President, I concur readily that the expression itself is susceptible of construction according to the inclination of those who read it, or reflect upon it. Secondly, it is susceptible of being shaded by the surroundings, whatever they may be. But this much keep in mind, when the President used the expression, he used it as a specific expression, that he sought to interpose some form of obstruction to those who were leading to conflict as aggressors, and seeking to have conflict for their purposes, whatever they were.

It may be that the President had in mind that when these nations now met, with the object of joining us in some form of quarantine, with a view to obstructing processes of war, there would be some concurrence of action looking to this policy, and that it would be expressed at this meeting at Brussels.

It is my judgment that he must have had in his mind that at that point the expression would come from all these nations, rather than come from himself. From himself separately would look as if he were seeking to dictate the course of policy or action of the other nations as well as to direct his delegates.

My able friend from Michigan a few days ago, in this very connection, called attention to the fact that he offered as remedy—as his wish at the time—that there should be some arrangement by the navy nations looking to the limitation of these navies, and that there could be called some kind of body that could execute that program. Yet, at the same time, the able Senator uttered a doctrine, in which I wholly concur, "that our country should attend to its own business, and let other nations attend to theirs." But I say to the able Senator, how could his policy have been carried out under his program as announced? The moment we call upon other nations to name the limitations of their navies at our direction, and then authorize them to name the limitations of our Navy, limiting our own defenses, we have again entered into their affairs, and allowed them to enter into ours.

As to the League of Nations, I could not adopt that. I do not know what the President said in the speeches in 1920, though I had a small part in the noisy undertakings called convention at San Francisco, that named our President as Vice President. But this much we will not overlook, that what the League of Nations might have done at the beginning, when there were no declared wars which had been brought about, unhappily, by that peace treaty which we speak of as the Treaty of Versailles, is but speculation. They may have carried on a splendid work, which may have resulted happily looking toward peace. But events transpiring since that time, and ostensibly under this peace treaty which was created, seem to have justified them in taking a position directly in opposition to what the League had promised to the world.

I invite my able friend from Michigan to recall this: Did we not follow, and here in this honorable body subscribe to, what we speak of as the Kellogg-Briand Pact? Where has it been executed? In what single instance has there been a country where there has been an effort to execute it? In the wars even in South America, near us, the movement of Japan into Manchuria, the attitude of Italy as to

Ethiopia, the conduct in Morocco of France, and that of Italy further on—where has there been a single effort to execute that policy? There has been none, indicating very clearly that to all countries party to the pact there is no such thing as such a fixed policy.

I respectfully assert to the able Senator from Michigan and to the Senate that the position of the United States is one of principle. This principle is to protect her rights, to see that the rights of no other country are wronged by us, to assert in our own defense whatever in strength is necessary to maintain our rights and protect America. But that as other nations from time to time may change their policy with a view of seeking some advantage over us, or some obstruction toward us, or injury against us, the only course for us to take is to make promptly the change necessary to effectuate our defense, and oppose the movements of the opponents that would injure us.

Mr. President, I therefore assert there is much to be said for the contention of the able Senator from Michigan, speaking for those who opposed the bill, along that line, that until there were some declaration on the part of our Government as to its policy, it is difficult to say how great a navy would be necessary to carry out our course, or how unnecessary it might be.

I must say that in my judgment there seems to be a lack of assertion clear enough, as far as the foreign doctrines are concerned, in order to ascertain whether they can be carried out without a Navy, or without a medium Navy, or a moderate Navy, or whether it is necessary to have an overwhelming Navy. That is where I confess there seems to be a difficulty which we must confront.

I am compelled to say that I can see no other course for my country except to watch the course of those who seemingly are prepared to oppose anything anywhere, and would be prepared to assail us if in the assault they found they could be prosperous and successful. But until we can ascertain what is really their course, our position must be that indicated in the language of the bard—given to the agent—

But since the affairs of men rest still uncertain,  
Let's reason with the worst that may befall.

Mr. President, I turn now to the second point which my able friend, the distinguished Senator from North Dakota [Mr. Nye], presents, and presents with great force. This was along the line of the suggestion as to these navies which we insist are threatening us.

The Senator says, and the same thought is voiced by other Senators, that if the combined navies of Germany, Japan, and Italy could be brought into a single force they could not reach our coast and could not assail us. I fear my honorable friends are carrying within themselves too clearly the assumption that the countries are going to conduct themselves in the future as some have some days and years in the past.

Reach our coasts? Come to our coasts to assail us? What flattery to ourselves. When the United States of America found it necessary to have conflict with Spain, did it go to Cadiz, to Madrid, or Barcelona? No; we went across to Cuba and, seizing Cuba, said to Spain, "Come and get it." What would these countries do if they reached the point we fear they have long since been contemplating to take vengeance or revenge against us? Russia, with her grievance because under one administration we shattered our treaty, under another we declined to follow her demand for money, and under the third we denounce her theories of government, and now Japan with her grievances against us. Say all joining, we will say, if the time shall come, as I fear it is too near us, when they might decide it was a good time to assail us. Would they attack us on our coasts?

Oh, no. What would they do? Mr. President and Senators, there lies Alaska, the previous possession of Russia, enhanced now with evidence of great billions of wealth. On the opposite side lie the Philippine Islands, and beyond or nearer there is Hawaii. Think of Russia joining Japan, and with Germany, with the latter's grievance for our having entered the war and having prevented her success. I say to my able



friend the leader of that particular phase of argument on the joint navy possibility, the Senator from North Dakota [Mr. Nye], these nations would do what they have been learning from the world, they would make no declaration of war. Russia, 16 miles from the United States, from the end of the Aleutian Islands, would promptly seize Alaska, and say to us, "Gentlemen, come and get it." Japan would promptly seize the Philippines and move out, having taken possession of those further and other islands, along the track which should have been ours, but which she obtained by our favor; then Japan would proceed to seize Hawaii. While on the other hand, with these islands in their possession which should have been ours as a source of defense, we would find Japan and her allies commanding us to come 8,000 miles to defend and recover these possessions.

In what way would we be able to defend them except by means of a navy competent to make proper defense on the sea and put out to object in confidence through the knowledge of being competent?

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Illinois yield to the Senator from Michigan?

Mr. LEWIS. I yield.

Mr. VANDENBERG. If the amazing combination to which the Senator from Illinois refers should occur, the rather incongruous combination, the Senator will concede, of the Japanese and Russian interests in a mutual assault upon us, does the Senator from Illinois think they would be deterred from their attempted conquests by the mere fact that we have authorized the construction of something that we cannot begin to build until 1942? And may I add to the question, so that the Senator may answer both: If there is any such remote exposure, why should we not build instead of merely threatening to build?

Mr. LEWIS. Mr. President, first let me say that I do not agree with my able friend or those about him in what he feels is the barrier or the obstruction against these countries coming together. I tell my friend that if the good Lord will let me live the divine statute of limitations I shall see, as will the Senator, a combination between Germany and Russia. Those two countries are neighbors. In the very nature of things they will come together for their joint protection as against all other parts of Europe. There is now very little difference in the policy of the Fascist, as it is executed in Germany, from that of the Communist, as it is executed in Russia.

Let us now refer to Japan. I advise my friend that it is my judgment that inasmuch as Russia and Japan have been in conflict in the past Russia will be quick to join with Japan, and watch the first opportunity to do so, and join Germany likewise, in order that the part of Russia called Siberia may be protected from Japan and any possible assault or possession as a new domain through which Japan could expand.

We shall find these three countries joined in a common cause for what they will call their protection, but all of which will be addressed against us if the time shall ever come when they could for profit or for advantages execute such purpose.

Yet, Mr. President, there is much to be said in reply to the inquiry of the Senator from Michigan. Here is the proposed navy. We are not building it now. We are not spending the money which my friend feels, and righteously feels, should be guarded. We are calling the attention of the world to the fact that we are authorizing the expenditure of that money in the event it shall be necessary.

How can we tell whether it is necessary? Let us say that a man walks into the bank to borrow money. He is in debt. He asks for a credit of \$100,000. The banker says, "You do not need this money now." Perhaps he does not. The banker may say, "We will give you the \$100,000 credit you ask for, but you only need to spend \$10,000 now." He may receive only \$10,000 immediately, but, Mr. President, the fact that he has the \$100,000 credit will be a protection to him, in that it will prevent his creditors from putting him into bankruptcy, and therefore he is guarded against any danger

that might otherwise befall him from such a source. The credit he has obtained serves to protect him against such action.

However, if he were granted a credit of only \$10,000, and the man's creditors should know that he was thus limited at a time when he needed \$100,000 credit, he would not be properly protected. His creditors might then pounce upon him promptly because of their knowledge of the limited credit afforded him.

Mr. President, in answer to the Senator from Michigan, I will say that such a situation is analogous to providing the authorization for an adequate Navy.

Mr. VANDENBERG. Mr. President, will the Senator again yield so that I may ask him a question in view of the analogy presented by him?

Mr. LEWIS. I yield.

Mr. VANDENBERG. Suppose the borrower referred to by the Senator goes to the bank to borrow \$10,000 to protect himself against an unidentified contingency. Let us assume, however, that he already has a reserve of \$6,000 in the bank upon which he has never drawn, and which stands as a protection upon which, even in the face of immediate menace to him, he has never found it necessary to draw. That brings the analogy down to this case, because we already have \$625,000,000 of new naval construction authorized, upon which we have never spent a penny, upon which we have never lifted a finger to proceed; yet in the absence of the use of the existing reservoir we are asked to produce another reservoir with another billion dollars in it.

I now ask the Senator, when his friend with an adequate credit already existing goes to the bank, would not the answer to him then be different than if he had no credit at all?

Mr. LEWIS. My answer would be that since he only has \$6,000, and he is in debt in a sum so much larger, the mere use of the \$6,000 at that time would not help him out of his difficulty. It would involve him in more, because then he would have further debts to pay, with no provision of credit, and he would stand as one confessed in bankruptcy. Such would be my suggestion with respect to the analogy of the case I have cited and the case of the Navy.

I will say to the Senator from Michigan that it is true we have passed measures providing for the building of vessels. But does not the able Senator recognize that much of what has heretofore been provided for has in the meantime been found not to conform to present requirements? For instance, with respect to cruisers, with respect to battleships and other vessels, the building of which has heretofore been ordered, it has now been found that as they were then planned they are not now fitting to the emergency which we now anticipate, as it is to that future emergency which is surrounding us and threatening us for which we are preparing.

Mr. VANDENBERG. Mr. President, I quite agree with the Senator that we are unable to anticipate the answer. We found in the progress of this bill in 3 weeks from the House to the Senate that because there was some gossip about the construction of a 45,000-ton battleship somewhere abroad, we had promptly to revise our prospectus from 35,000 tons to 45,000 tons. I suppose 6 weeks from now, if we hear that some country is building a 55,000-ton battleship, we must again revise our prospectus. It is the very flux of the situation which it seems to me puts us upon warning not to proceed precipitously and without deliberation on the old formula, and we are proceeding essentially on the old formula when we are proceeding under the terms of the pending bill.

Mr. LEWIS. I must say that my friend has fallen into error. We have attempted to carry out the treaty which on the part of other countries was wholly ignored or completely violated.

In view of the fact that Britain is expending another billion dollars in naval construction, added to Japan's increase in naval appropriations, and with other nations ready to construct new models for the purpose of preparing for any assault that may be necessary to be made upon us, we have been compelled to make the necessary changes in order that our



Navy will conform to the increases in other navies. Our Navy Department based its position on the actions of other nations.

In support of the position taken by the Senator from Michigan, it can be said that these anticipations of dangers which move us to action may overestimate the danger, and it may be that we are going further in our defense than the assault would justify. We can only indulge our fears and hope to protect ourselves adequately.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LEWIS. I yield.

Mr. BONE. I think perhaps some of the confusion that arises, and certainly it is bound to confuse the country, is due to the fact that under existing authorizations, if we are willing to appropriate the money, we can build from seven to nine battleships over the period which it takes to build such ships. We can now lay down 40 destroyers, 16 submarines, and 2 cruisers, besides building all these battleships in the period it would take to build them. Admiral Leahy advises that the Navy has no intention of going beyond the program which is now laid out, because it would crowd to suffocation every shipbuilding agency in the country and create an unbearable hump in the work.

Again a confusion arises from the fact that with that sort of a possibility ahead of us, if any emergency should arise, the next Congress could make further authorizations if need be, but we cannot even do the work that is already laid out for us, because Congress will not now appropriate the money.

The able Senator knows what would happen to a bill that called for a billion dollars or \$2,000,000 worth of expenditures in addition to what has already been expended. I think there is a great deal of misapprehension in the public mind about what has been spent. In a little pamphlet which I presume to intrude into this discussion in the way of my own remarks it is pointed out that under relief operations of this country \$238,000,000 has been spent in building new ships. I think 32 new ships were built under that authorization and that expenditure. Under the Vinson-Trammell Act we have actually spent nearly \$246,000,000. And there is a further commitment of over one-third of a billion dollars under the Vinson-Trammell Act in ships now under construction.

We have spent a tremendous amount of money—nearly \$850,000,000—since the beginning of 1934 in new construction, besides the remaining authorizations under the Vinson-Trammell Act. It seems to me that if some crisis arose Congress, next January, could easily provide the necessary authorization.

I mention that because it is all a confused thing. I think the country may get the impression that somehow we are defaulting in a great crisis, whereas we have plenty of leeway. We have a credit, so to speak, as the Senator from Michigan said, on which to draw in the way of new ships that we cannot possibly build now.

Mr. LEWIS. Mr. President, I realize that there is much to be said in opposition to this anticipated expense upon the theory that there is no immediate call or urgency for it. But, Mr. President, I fear my able friends who oppose this measure do not realize that their opposition will be treated in foreign lands as an opposition to their country preparing to defend itself against the assault. I fear that this opposition will be construed in Japan, in Germany, and in Russia as an expression on the part of these very able legislators that they are opposed to this Government taking any further course looking to the country's defense against assaults on the part of other countries. It cannot be possible that such a position would be taken by them, but I cannot fail to see that such will be the construction given to their position.

If a test of that statement is desired, I invite attention to the fact that a week ago there was an election in England in which a gentleman whose position was in opposition to the position taken by Chamberlain in his desire to effect a new peace with Italy was elected to the Parliament. The election involved purely a labor question; but when the election was won against the present Government of England, then it was urged all over the world, and particularly in America,

that the result of the election represented an expression of opposition to the policy of England in preparing her navy and spending the money essential to what she felt was her defense.

Will not Russia, Japan, Germany, or any other country which may have the idea of an assault upon us at sometime, or the idea of opposing our insistence upon our rights, point to the fact that there is no unanimity on the part of the United States Senate in the defense of America? Able Senators, high-class men of great positions in their Government, such as the able Senators who have just been addressing me, are opposing the program, upon the ground, among others, that they do not wish to undertake this protection nor at this time to step out and move forward to carry out the naval program projected by the Navy Department. It will be proclaimed that they are opposed to their Government spending money for the defense conceived by those whose duty it is to prepare the plans of protection and to execute them.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator from Michigan.

Mr. VANDENBERG. I am very glad the Senator has raised the point he has now raised, because it would be extremely unfortunate if any such interpretation were put upon my position. I can certify to that personally, and I think a similar position is taken by others who are opposing this particular bill.

I ask the Senator to indulge me while I read to him three sentences from my address upon the subject. The first sentence is as follows:

Any foreign chancellery which mistakes these remarks about this bill—or the attitude of millions of citizens who share this view—as indicative of the pursuit of "peace at any price" will be dreadfully disillusioned.

I ask the Senator to allow me to read these sentences:

I want America to be strong in her might of righteousness and to be obviously able to observe her own independence and integrity. I shall never consciously vote her into any physical inferiority which might encourage a designing foe to think our conquest easy. That is the basis upon which I proceed to my consideration of this bill.

I may add that in my 10 years of Senate service I have voted for billions of dollars in one decade to the American Navy. If there can be any remotely justified interpretation of desertion of the national defense in that record, I am totally unable to understand logic.

I assert to the Senator that I join him completely in demanding that my America shall be adequately defended; but I insist that in the name of adequate defense I am not called upon to become emotionally hysterical and join in a mad international arms race which, up to the moment when we started to join in it, every one of us agreed was the greatest madness and insanity of modern times.

Mr. LEWIS. Mr. President, I readily concede the utterances of the able Senator as he read them. I listened to his address, which was excellent in point of phraseology and composition. However, I am utterly opposed to his doctrine. I thought I saw a great fault in the course which the Senator was taking. I answer him now to the point.

The Senator says, "Let no foreign chancellery draw deductions or inferences in certain directions from my remarks." I remind the Senator that the Latin has left for us a maxim, "Non verba, acta," "Not words, but actions." Foreign countries do not draw deductions along our lines of reasoning or our understanding. They point to actions.

Let me be very personal. The eminent Senator who opposes the measure tendered by the Navy Department is now being mentioned by those high in authority as a possible candidate for the highest political gift our Government can give to mortal man.

The Navy Department tenders its doctrine of defense, and the eminent Senator opposes it on the floor of the Senate. He seeks first to obstruct and then to defeat it. What other conclusion can other governments arrive at except that he opposes his own Government when it speaks through the only voice with which it can speak—its Navy Department?



Mr. VANDENBERG. Mr. President, will the Senator yield further?

Mr. LEWIS. I yield.

Mr. VANDENBERG. Suppose the executive branch of the Government were in charge, some other day, of one who is notoriously a militarist, one who is deeply devoted to the construction of a navy of almost unsurpassed magnitude.

Suppose also that out of the clear blue sky—and that is where this recommendation came from—we were asked to authorize the appropriation of \$5,000,000,000 for a new naval program. Does the Senator indicate that there is no point at which a Member of the United States Senate may critically scrutinize a request of this sort without being subjected to the suspicion that he is destroying the defense of his country?

Mr. LEWIS. My answer is, certainly not. It is that very feature that I seek to make clear. When Senators oppose the program, and their only opposition is that, in their judgment, the future may not justify the expenditure, the question arises as to whose judgment we shall adopt. Shall we adopt the judgment of those who have been given authority in a trusteeship to investigate the subject, ascertain the facts, reach a conclusion, and send it to the legislators? Or shall the legislators then investigate; and if so, what investigation shall be conducted?

Despite the facts which are facing us, the aspect of threat, and the constant cloud of danger, do we assume to take it upon ourselves to tell the Navy Department, "Because of the future, which we think we see, and which will not call for the expenditure which you ask, we are compelled to oppose your every undertaking?"

The very able Senator, at the conclusion of his amazing address, said:

For the reasons I have given, I shall at the moment vote against this super-supernavy bill.

Is that not true?

Mr. VANDENBERG. Yes. Will the Senator yield further?

Mr. LEWIS. I yield.

Mr. VANDENBERG. The Senator wants expert judgment to justify his position. I remind the Senator that the incumbent Secretary of War, who certainly is an authentic spokesman in regard to national defense, asserted on March 15 last—which is fairly contemporary testimony—that:

The United States is better prepared today than at any time in its history—

For what?

For whatever happens.

Now I ask the Senator whether I am entitled to rely upon the testimony of the Secretary of War.

Mr. LEWIS. The Secretary of War may have had in his mind how the United States is prepared, but he may not have gone into detail. I assume that when the Secretary of War said "better prepared," it was because he had confidence that eminent Members of the Senate would support the Government in its defense, and because he could not have anticipated that Senators would obstruct, oppose, and defeat the national defense upon any theory, political or personal. He took it for granted that the country had the greatest preparation because it had the greatest patriots; but if it shall be disclosed that in that respect he was deluded, I answer that his judgment is not abiding, nor to me convincing.

Mr. VANDENBERG. Is the Senator willing to dismiss the categorical statement of the Secretary of War, on March 15, with the rather melodious bit of sophistry to which he has just given birth?

Mr. LEWIS. Mr. President, it may be that the able Senator finds that to his conception my reply is melodious sophistry. It may sound so to him for want of a due understanding. I wish he had some practical observation to advance to oppose it.

No doubt the ideas of the Secretary of War with regard to military matters are sound; but the Secretary of the Navy and the officers of the Navy would have more knowledge of

the situation of the Navy and its needs than would the head of the War Department. While I am willing to accept the anxious hope and sense of assurance of the present Secretary of War as to matters of the Army, I prefer to trust my own sense of what I feel to be the dangers as the want of proper Navy and to prepare, as a legislator, to meet and overcome dangers by providing the necessary Navy as defined and promulgated by our Navy Secretary and his aides at the head of the bureaus.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LEWIS. I yield to the Senator from Washington.

Mr. BONE. A great many persons, including myself, are perplexed by the thought that under existing legislation we can crowd every shipyard in America with new building for the next 5 years. We can build up to nine capital ships or battleships. We can build destroyers, cruisers, submarines, and airplanes. We can build every agency of national defense, and we are assured by the naval authorities that they cannot build any more with the facilities at hand.

When those of us who are willing to go ahead with the program and build for national defense confront that fact, what is the answer? Are we not tilting at windmills and shadow boxing with unrealities when we talk about this bill as though it were a life-and-death matter, when, as a matter of fact, under the Vinson-Trammell Act we can build nine battleships? We can build more than Congress is willing to appropriate for.

That is the thing I cannot understand. As one who believes in adequate national defense, I do not want to be put in the position of resisting the preparation when the Navy itself tells us that it does not desire to produce humps in the work. It is not a question of defense. The Navy merely does not want a big hump in the work which will interfere with an ordered program spread out over a period of from 10 to 20 years.

I think I share in no small measure the views of the very able Senator from Illinois, who is my good friend; but I do feel that we are emulating Don Quixote by tilting at a ghost which does not exist, when under the law, if we would vote the money, we could pack every shipyard in America to suffocation in the next 5 years. We could spend so much money that we would frighten the taxpayers. I doubt if any Senator will deny that statement.

If that statement be true, and we have almost unlimited latitude in building, should we not build? If there is great fear of imminent danger of attack on America, why not go ahead? But the Navy does not want to do it. I sat in the Naval Affairs Committee and heard the officials of the Navy Department say they did not want to do it; and as I sat there I wondered. The Navy Department did not say, "Let us go ahead and do it."

As every Senator here will bear witness, I have tried since 1934, on the floor of the Senate, to expand our navy yards to the point where they could meet just this kind of emergency; and the Navy Department sent word, year after year, that it did not want to pursue that course. I cannot understand why in the world the Department comes here asking for more defense, and at the same time does not advocate doing the one thing which could give us defense on short notice.

Mr. LEWIS. I am surprised that the viewpoint taken by my able friends does not take into consideration the fact that conditions have wholly changed from those which existed at the time the Vinson-Trammell Act came into being.

As far back as 1934, to which my able friend from Washington, who most eminently represents that State, alluded, who would have thought that Japan would have found cause to proceed at once to become the possessor of Asia, dominating the eastern sphere, and that, coupled with that, would come her jointure with Germany, whose attitude of grievance against us is well understood, and also the possibility of their connivance with Russia? Who would have thought then that in her desperation, and, sir, I might say in her audacity, Japan would find it agreeable to assail her friend, America,



and shoot to death citizens of America and our soldiers and sailors on the *Panay*? Who would have conceived the naval-building program of Great Britain to adjust itself to a preparation of defense to a \$7,000,000,000 outlay and to change completely from the previous program for which we were prepared?

Who could have foreseen then the change which would be made in the form and number of battleships under the treaty that had been made between ourselves, Japan, Great Britain, and France, which has now all been laid aside, those countries having ignored the treaty, disobeyed the treaty, and left us standing, as it were, alone, the only nation complying with it? Therefore, due to all that has transpired lately, to which my able friend the Senator from Washington has alluded, conditions have so changed around us that those whose duty it is to conform to new conditions have done so by the suggestion of changes necessary to meet them.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LEWIS. I again yield to the Senator from Michigan.

Mr. VANDENBERG. All these things the Senator describes had happened prior to New Year's Day of this year; none of them has happened since. The Navy Department had presented us the annual regular naval appropriation bill, carrying about \$550,000,000, in January. In January they notified us that that was adequate for every single naval necessity in respect to national security. On January 21 the House of Representatives passed that bill on the assurance that it was completely adequate for the purposes to which the Senator has referred. Even on January 21, 1938, there was no suggestion, either from the Executive or the Navy Department, that a single penny of the \$650,000,000 of unconstructed authorizations already existing should necessarily be touched in behalf of defense against the vicissitudes to which the Senator refers. It was only a week later, in January 1938, that we heard about the necessity suddenly for an additional billion dollars. I ask the Senator what happened between January 21 and January 28 to change the entire necessity?

Mr. LEWIS. I ask the Senator from Michigan does he assume in that statement to tell America that he believes his Government and its Navy Department have not had any reason for so great a change? Will he stand here and assume that they would voluntarily ask this country to join itself to a debt of this extra billion dollars without cause, without reason, without object? And does he assume that because he does not know what the reason is, therefore no reason can possibly exist that may justify it?

Mr. VANDENBERG. Mr. President, may I interrupt the Senator again?

Mr. LEWIS. Certainly.

Mr. VANDENBERG. The Senator has not answered my question, I am sorry to say. I am not relying upon my judgment; I am relying upon the fact that the President of the United States, his Budget Director, his Secretary of the Navy, and every expert he had up to January 21 found it unnecessary even to ask us to build upon an existing \$650,000,000 authorization. I want to know why they found a new emergency of such magnitude subsequent to January 21. Is that an unfair question?

Mr. LEWIS. I answer the Senator by saying that only the other day, in his violent philippic against this bill, he propounded a query to the Senate crying forth why the President of the United States, having suggested one figure as adequate should now, after a certain length of time, come back to the Congress and request this increase; why does he tender this increase? I answer the Senator that he himself called attention to the fact that there were some existing circumstances that caused the President to change the figure which but a short while before he had tendered this honorable body. I answer by saying that if the able Senator feels there are some reasons which justify this increase and he would seek from the Department the information, they could trust it to him, as he well knows, for he would never violate it. If, on the other hand, he has some doubt about it, is not that the source to which he should go?

Will he assume to tell his countrymen that this Government and its representatives, the officers of the Navy, have recommended the expenditure of this vast sum of money, apparatus adequate should now, after a certain length of time, come how, somewhere, as if strewing it in the air as leaves driven by the autumn wind?

I answer that these essential changes known to our Government that call upon Senators to trust and to recognize that if they are in any way directly opposed to the expenditure they are welcome to the information, and may have it imparted to them direct.

Mr. WALSH. Mr. President—

Mr. LEWIS. I yield to the Senator from Massachusetts, the chairman of the Committee on Naval Affairs.

Mr. WALSH. Apropos of what the Senator is discussing, the rapid changes which are taking place in the world, I desire to read a press release given out this noon.

Mr. LEWIS. I yield for that purpose.

Mr. WALSH. I read the release as follows:

Germany is building a navy that will far surpass the proposed huge increase in American naval power, Navy Department confidential reports revealed today. The reports show Germany is building or has appropriated for 51 warships, including 5 super-battleships and 25 submarines.

President Roosevelt's \$1,157,000,000 naval program calls for a total of 46. "On a ship-for-ship basis" a high navy official said, "the new German Navy may be at least equal and perhaps the superior of any in the world."

I present that as information handed to me by the press.

Mr. CLARK. Mr. President, will the Senator from Illinois yield?

Mr. LEWIS. First, let me say I thank the Senator from Massachusetts for his suggestion, coming in the appropriate moment, I should like at once to allude to it. In the meantime, however, before I reply more specifically, I yield to the Senator from Missouri.

Mr. CLARK. Mr. President, I simply wish to ask our distinguished colleague the Senator from Massachusetts if he knows the authenticity of the press release which he has just read? Does he know who is the eminent official in the Navy Department who is responsible for giving out this anonymous and clandestine release and on what information it is based?

Mr. WALSH. All that I know is that it was handed to me by one of my secretaries as a release at the Press Club this morning.

Mr. CLARK. The Senator from Massachusetts has served this body with great honor and distinction for many years. He must have observed in that time, as I have observed since I was a little boy around the other end of the Capitol, that when a drive is on for a tremendous increase in the Navy, when a naval-building bill is before the Congress for consideration, invariably very sinister information and very sinister releases trickle out of the Navy Department or trickle out of some other place into the public press, designed to create serious apprehension about naval increases in some other country. I wonder if the Senator has any more authentic information than is contained in this anonymous release?

Mr. WALSH. I have no knowledge whatever, but I assume that knowledge of the naval program of Germany came to the press of this country, and that an opinion was asked from naval officers. That is all I know about it.

Mr. LEWIS. I wish to allude to the query of the able Senator from Michigan and my able friend from the State of Washington as to one feature. If the Government had authorized the construction of naval ships, cruisers, or battleships some years ago, and after the lapse of some time had awakened to the fact that what was then proposed was not necessary to the occasion or was not sufficient, or, if carried out, would fail, and would not serve the purpose intended, naturally they would tender immediately or so soon as possible some substitute to cover present conditions which had arisen contrary to those which existed at the time of the first proposal.

That answers the difference between what was suggested then in order to build up to the limit and that which is



newly suggested to be built up under the necessities which have arisen and which were not then in mind.

So, I wish to confess that I feel the virtue of this bill at this time. My feeling arises from the fact that other countries of the world may realize from the passage of this measure that this land of America has proposed a system of defense that will so well secure it as against assault by any other land in the world, that none will dare to assail a land so thoroughly and well prepared. If the time shall ever come when it shall be apparent that eminent leaders of the Nation rise to oppose that form of defense, however sophistical, however artful in phraseology, however analytical they may be, from their point of critical censure, when they seek to justify their opposition, still, sirs, the world can see only that at a critical time on the eve of great danger when all nations stand on tiptoe in their anxiety and zeal for conflict there are great Senators of the United States, those who confront our country with every obstruction against carrying out the policy that would completely establish defense and assure the security of our country of America. I feel that the passage of this bill is directed to needed defense, but if, as the able Senator correctly says, and as the Senator from Washington added, if it shall be found in time that we do not need to spend the money which is to be authorized, we shall not do so.

It may be that the shipyards are crowded just now. I heard my able friend from North Dakota [Mr. NYE], whose position on this question is well known as patriotic and sincere, as I heard my able friend from Washington, ably representing his State in the Northwest that is greatly demanding naval supply, denounced those who have private yards for carrying on this private work. May I say to my friend, if the navy yards are chock full, as is intimated, and it is beyond their power to add further to their facilities, who shall now say that all private undertakings shall not be commanded to do all that may be exacted and be put in operation? If there shall come a time when this country is imperiled and the need of defense arises, they should be commanded—every agency and power—at once to contribute their best efforts and results to the complete security and construction of means of complete defense of the Nation.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. LEWIS. I yield to the Senator from Massachusetts.

Mr. WALSH. Possibly in my absence the Senator has made the matter clear, but I think this point ought to be made:

The Vinson-Trammell Act contained two provisions: First, for replacement of obsolete vessels; second, authority to construct vessels under the London Treaty. All the vessels which could be constructed under the London Treaty have been constructed except in two categories, and without this bill the only authorization there now to build a single naval vessel, except to replace obsolete vessels, is in the categories of destroyers and submarines. I think there is no dispute about that fact—that under the Vinson-Trammell Act we may build more destroyers and submarines, but we may not build cruisers or battleships or airplanes.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LEWIS. Yes.

Mr. BONE. I understand from Admiral Leahy's testimony that two cruisers are available under that act.

Mr. WALSH. Two new cruisers?

Mr. BONE. Yes; under the Vinson-Trammell Act two new light cruisers may be built.

Mr. WALSH. I may be mistaken. I have just talked with the expert, who informed me that the authority which was left under that act was confined to the two categories of which I have spoken.

Mr. LEWIS. Mr. President, I thank the Senator; but, as he has stated, he has been busy, out on a special committee, and was not present earlier in the day when I made bold to allude to these facts. These were in my suggestion replying to the able Senator from Michigan [Mr. VANDENBERG].

Mr. President, I do not desire—to the contrary, I wholly desire not—to detain the Senate longer than necessary to carry out the viewpoints which I wish to express.

Having replied, as I feel that I have, to the questions of my able opponents on this measure, I come to one feature only which I shall now put before the Senate.

The able Senator from Michigan [Mr. VANDENBERG], in his voluminous speech on behalf of the opposition, as well as did the able Senator from North Dakota [Mr. NYE], called attention to these treaties. I wish to ask the Senate to give me a moment while I burden it a little with refreshing the minds of the Members as to what the treaties were, and how we have complied with them in our complete obedience. I owe some of the facts I am about to give to a captain of the Navy, Capt. Dudley Knox.

I beg to call to your attention the fact that the limitation treaties of 1922 and 1930 were supposed to be supplemented, of course, by the Kellogg Pact. In that constructive movement the United States led the way. In barest outline, the degree of American concessions to the cause of naval limitation is represented by our allowances under the treaties compared with the size of our Navy as it existed beforehand, relative to other countries in both instances.

Contrasted with the British, we voluntarily wrote down our Navy 396,871 tons more than did Great Britain. As to Japan, we correspondingly endured a loss of 450,000 tons. The latter figure is the equivalent of more than half the Navy of Japan at the present time.

Let us remember that our so-called scrapping program enforced by the treaty included 11 great capital ships on the stocks, upon which upward of \$300,000,000 had already been spent, and whose completion, if they had been completed, would have made us by far the strongest naval power. Besides all this, we gave up rights to naval bases in the Orient, which, translated into terms of naval power, reduced our potential strength in that region by at least 50 percent of our fleet, whatever its size might be. In other words, after cutting our Navy 450,000 tons relative to the Navy of Japan on the status quo basis of 1921, we agreed to restrict our power in oriental waters by a further 50 percent of the remainder.

This is the handicap under which we are now operating. Will not the able Senators say, in view of these constant changes, that there is nothing left for us to do but to pursue the course which we are now taking?

Mr. CLARK. Mr. President—

Mr. LEWIS. I yield to the Senator from Missouri.

Mr. CLARK. If the figures which the Senator has just read be correct, and if it be true—as I take it no competent naval man has ever disputed—that in order to fight a war 7,000 miles from home it is necessary to have a preponderance of at least between 2 and 3 to 1 over the prospective adversary, what would be the Senator's estimate of the navy necessary to permit us to fight a war in the Orient? In other words, this bill would seem to be entirely inadequate on any such basis.

Mr. LEWIS. My answer to my able friend has to be—meaning no adulation—that as he is not only a statesman but he has proven himself a very valiant soldier, we should be compelled to address ourselves to the conditions as rapidly as they arose; and if we should become involved in conflict in the Orient we first should have to command and call on the Navy we then possessed, and supplement it as soon as we could, and make such additions to it as would be necessary from time to time as we were able. I see no other course open to us.

Mr. CLARK. If the Senator will yield, of course, the Senator is as familiar as I am, and more familiar, with the fact that an effective navy cannot be constructed after war has begun. The point I was coming to is that, if the foreign policy of the United States involves the prospect of a war in the Orient, the Navy which we have and which is in process of authorization in this bill is not one-third as big as our necessities would require to fight a war 7,000 miles from home. If, on the other hand, the shoe is on the other foot and we propose merely to defend the United States, with



our prospective or possible enemy fighting a war 7,000 miles from home, it would seem to follow, by the same reasoning, that our Navy now is two or three times as big as we need.

Mr. LEWIS. Mr. President, the observation of the able Senator from Missouri compels me to the conclusion that he is assuming what kind of conflict in the Orient there would be, to what extent it might advance, and how far the navy of our adversary might be superior to our own, in order to anticipate within himself what kind of a navy we should need to meet the attack or the advance of the oriental power.

I myself am unable to anticipate what would be the form of conflict. I can only say to myself that my duty to my country is to anticipate in what form we may be assailed, and to prepare ourselves for the form of assault that our information shows is a possibility.

I invite my able friend from Missouri to keep in mind that he may see how moderate we have been in carrying out the suggestion I made a moment ago respecting our obligation under the treaty, that in battleships, for instance, we have 15 ships, 2 building, and 5 additional projected, including those in the program, a total of 22.

The corresponding unofficial figures for the British are 15 built, and a total of 25 others, including those building and projected.

Japan's total, by unofficial reports, is 14, of which 10 are already completed.

The comparable figures for France total 11, for Italy 8, and for Germany 8.

It will be seen, therefore, as was pointed out by the Senator from Massachusetts [Mr. WALSH], the chairman of the Naval Affairs Committee, that many of our vessels have become obsolete, and, in the present condition of the world, its warfare and its preparations for conflict, wholly useless. For that reason the only course left us is to anticipate what the future will bring forth, and begin to prepare for it.

Mr. President, this much let us concede: It is impossible to bring into this body a naval bill which shall exactly anticipate conditions, nor can we bring in a bill which may be said exactly to meet the conditions as they may be. There is only one course left us, and that is to anticipate what may be, provide for it, and keep ever in mind that the great American public is not asking the United States to engage in a cheese-paring program. It is calling upon us to make any preparations necessary to secure the public in the feeling that they are defended—secure in their homes, their property to be firmly established. That the time should not come upon them unexpectedly when from these islands should come enemy ships, after having seized Hawaii and the Philippines on the one hand, or by Russia at the end of Alaska on the other, and, moving out in possession of these islands, cross over the seas; and, though our Navy should meet them as best it could, we not having provided sufficient navy to overcome them, before we knew it our great cities on both the Atlantic and Pacific should be possessed by the enemy, while they should loot all our possessions and hold us up to the world as either a defeated nation or so bedraggled in our misery as to make us contemptible before the world.

Mr. President, I am supporting this bill on the theory that our needs have been presented by the only sources to which we can look for information and direction. I am supporting this bill because I see the time is before us when America must feel secure; when her people must feel that her representatives have not made her defenseless; that she is not the object and victim of assault and open to possible destruction at a time when she is least guarded and unanticipated. Therefore, sir, I would rather resolve the doubts in behalf of my country than to yield them to those who are willing, sir, to have the country spend all its means in their behalf, financially or otherwise, but who decline to spend anything in behalf of sustaining and defending their country and securing their people in freedom and in justice.

Mr. President, we have gone very far in the discussion of this bill. The able Senators who are opposing the bill have reasons of their own. Those who are presenting and those who are supporting it have given to us a very broad under-

standing and comprehension of the purposes of the measure and the real objects of our Government, which are no further and other than that this Nation shall be prepared to defend itself. We want no war with any country; we seek no conflict with any land; but we will not tolerate that any other land shall prepare to assail us and be ready for our destruction without equally being prepared to meet such assault. While we want no conflict or war with any land, we hope to be prepared as against any land which hopes to make war or conflict on us.

The hour is with us when America must be American, and it is because we are Americans that we will in this body be for America.

I thank the Senate for its indulgence.

Mr. JOHNSON of Colorado obtained the floor.

Mr. NYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Dieterich	Lewis	Radcliffe
Andrews	Donahey	Lodge	Reynolds
Ashurst	Duffy	Logan	Schwartz
Austin	Ellender	Loneragan	Schwellenbach
Bailey	Frazier	Lundeen	Sheppard
Bankhead	George	McCarran	Shipstead
Barkley	Gibson	McGill	Smathers
Bilbo	Gillette	McKellar	Smith
Bone	Glass	McNary	Thomas, Okla.
Borah	Green	Maloney	Thomas, Utah
Brown, N. H.	Guffey	Miller	Townsend
Bulkeley	Hale	Milton	Truman
Bulow	Harrison	Minton	Tydings
Burke	Hatch	Murray	Vandenberg
Byrd	Hayden	Neely	Van Nuys
Byrnes	Herring	Norris	Wagner
Caraway	Holt	Nye	Walsh
Chavez	Hughes	O'Mahoney	Wheeler
Clark	Johnson, Colo.	Overton	White
Copeland	King	Pittman	
Davis	Lee	Pope	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, a quorum is present.

Mr. JOHNSON of Colorado. Mr. President, I speak today neither as a pacifist, ignoring grim international realities, nor as a "jingoi" with a penchant for policing the seven seas, boastfully advocating an aggressive foreign policy and deriving great pride and satisfaction from having America adopt the role of being the world's most feared bully. Rather I speak as one devoted to his country, who demands for her adequate protection against every potential foe who would invade her territory or who would attempt to set hostile foot on any portion of the Western Hemisphere. I am not for a little navy, and I am not for a weak army. I am for a navy and an army so powerful that America will always be left alone, and I am ready to vote appropriations for such purposes. I realize that such expenditures are premium payments on an effective insurance against war.

I supported the supernavy and the superarmy acts which were recently approved by the Senate. I was for them in spite of the fact that these two programs, calling for a total expenditure of more than a billion dollars, are provided for out of money that must be borrowed. I am for these huge expenditures because I realize that America should have adequate national defense, just as every city should have a first-class police department and an efficient fire department. These two appropriation bills were drawn by the Navy and the War Departments after long and careful consideration and now represent the full amount thought necessary by them completely to care for all of America's current armament needs.

I am for these supernavy and superarmy bills in spite of the fact that they are by far the most stupendous peacetime Navy and Army appropriations in American history. It is my conviction that these superappropriation bills provide a sufficient current contribution on the part of American taxpayers to the noble cause of national defense, and that they do provide America with an adequate protection against every likely foe. If subsequent Congresses do as well, American national defense will continue to be second to none.

However, these astronomical appropriations, sufficient as they are for every current national-defense purpose, do not make a drop in the proverbial bucket if America is contemplating an aggressor policy. Adequate national defense and adequate aggressor equipment are two very different matters. In my humble opinion, the present Congress has met its full responsibility so far as preparedness is concerned, and has neither been penurious nor parsimonious in its provisions for the defense of our country. No one can deny that the Seventy-fifth Congress has been most generous, and I am glad that it has been most generous in these matters.

But now we come to an entirely different problem. Under the pending bill we are not considering appropriations for current military developments. We are not providing for current needs. Under the pending bill Congress and the administration are attempting to determine the long-range future naval policy of America. This bill is called the "big-navy bill." It is nothing of the kind. It does not appropriate money for the building of one vessel, but it does set forth a new future naval policy, which by its very nature necessarily becomes a new foreign policy, and it should be so regarded by everyone. In my opinion, perhaps unintentionally the pending bill sets forth a vicious foreign policy; one which will be completely misunderstood by both American citizens and foreign powers. In it we are not dealing with navies; we are dealing with American foreign policy. Make no mistake about that.

A few minutes ago we heard read a news release about what Germany was going to do because we are doing what we are doing. In other words, if we are going to have a big blueprint navy, other countries can have big blueprint navies. We have heard that statement on the floor of the Senate within the past hour.

Without this bill, and without one word of new legislation, the next Congress already has authority to appropriate at least \$650,000,000 for naval construction. It is inconceivable that Congress will want to appropriate more. In fact, as I understand, the Seventy-sixth Congress can make two appropriations of that amount under the so-called Vinson-Trammell authorization, which became the law of the land in 1934.

I heard a Senator say on the floor of the Senate today, "Yes; but the Vinson-Trammell Act restricts us to certain kinds of expenditures." Certainly that act can be amended if necessary. It would not take very long for the Congress to amend that act if an amendment were necessary, or if any change from the original policy of the Vinson-Trammell Act seemed desirable.

Why, then, the great haste to adopt this new foreign policy in the closing hours of this session? Why cross a congressional bridge while we are still at least one Congress away from it? I think I can give the answer to this suddenly conceived proposal, to this mad rush to establish America's future foreign policy far in advance of any current need. The iron is hot! We must strike it now! Germany has swallowed Austria. Russia has had one old-fashioned political purge after another. Civil war is raging in Spain. Italy has expanded in Africa. Japan and China are locked in another death struggle. There is trouble on the eastern front, and there is trouble on the western front. Dictators are supposed to be on the march. American patriots are jittery. Fear is loose in the land. An excellent time to slip through a new foreign policy under the guise of defense necessity, and with not a word that all of this is in addition to a naval authorization that is still unfulfilled!

Next year looks like a peaceful year in this good old world. Next year the world may not have even one war. Next year does not look like a good year for American jingoism. Americans might not be so frightened then; it might not be so popular to promote a gigantic domineering foreign policy. Now is the time to cash in fully on American misinformation and fear, and adopt a new aggressor policy to replace the traditional American policy of minding our own business, but at the same time protecting ourselves against Western Hemisphere invasion.

Georges Bonnet, French Minister of Foreign Affairs, is quoted in yesterday's International News Service as saying:

Europe is more tranquil today than it has been for months. Many fundamental problems of peace have to be solved. Many will require long and difficult handling. But the atmosphere is more conducive now to certain realistic negotiations and discussions than it has been for a long time. There has been a distinct relaxation in European tension.

Every diplomat throughout the world knows that Bonnet has the situation sized up correctly. But now, of all countries, America is determined to rock the international boat. The effect of the passage of this bill will be immediate upon every power in the world. They will know that America is going far beyond the needs of national defense, and they correctly will look upon her as a potential aggressor enemy, and will therefore be compelled to increase their own armaments accordingly. America will thereupon find it necessary in turn to make a further increase in her armaments, until every ocean will be floating with fighting craft, and every people engaging in this mad armament race spiral, impoverished and enslaved by its unbearable costs. An armament race is a deadly spiral of rapid and certain destruction that must, if followed to its logical conclusion, finally wipe out civilization itself either through bankruptcy or through war.

No one in America has ever been able to express a thought in more forceful language than has Franklin D. Roosevelt. Speaking a few years ago about a proposal similar to the one we have before us today, he had this to say:

The pertinent question is: Why is it necessary this year for Congress to authorize the building of ships to be started next year and the year after, and the year after that? Why is it not sufficient for us to authorize the construction only of those ships which are to be laid down this year? There is only one possible answer.

Let us get the President's answer to the question which we have propounded time and time again to the proponents of the bill. This is the answer of Franklin D. Roosevelt before he was President:

The administration must want some club to use over the head of Great Britain. This brings the naval question out of the realm of our immediate naval needs and into the realm of diplomatic juggling.

Mark well this further comment by Mr. Roosevelt:

At the present time we cannot do away with the Navy. What we need is a survey by civilians whom the people will trust to tell us what problems of national defense may arise for which we need a navy. A survey of this kind should, of course, consult on technical matters with officers of the Navy. But the people are not going to take the unsupported words either of the naval officers or of Secretary Wilbur.

Mr. VANDENBERG. Mr. President, what year was that? Mr. JOHNSON of Colorado. That statement was made in a speech at Town Hall, New York City, on February 24, 1928.

The President's logic and his conclusions are unanswerable.

That America should aspire to lead the civilized world in such a folly is tragic. America is capable of better objectives. American achievement in things mechanical, American unselfishness in things international, American humanitarianism in things social, and American aspirations in things spiritual, offer one ray of hope to a gloomy and discouraged world. America can put mankind on a little higher plane of human endeavor, rather than upon the greased skids of destruction, if she will think less of leading in a world armament race and more of leading mankind toward equity, justice, and understanding.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. VANDENBERG. The Senator has made a very significant quotation from the speech of the President in 1928. He might make another significant quotation from the President, who said during the first week in March 1933:

Most liberal governments are wrecked on the rocks of loose fiscal policy, and we must avoid this danger.



Mr. President, I submit that America at this moment, confronting the realities, is in far graver danger of national bankruptcy than it is from any international foe, and if we are to join in a mad, world-wide armament race, which we all conceded was suicide up to the moment when it was proposed that we participate in it, bankruptcy is unavoidable, not only for us, but for the whole world.

Mr. JOHNSON of Colorado. I thank the Senator for his observations. I agree with his conclusions.

In a few months America will elect a new Congress. Why not wait until January, and see what Members of Congress fresh from the people want to do about leading this race of sheer madness? The Seventy-fifth Congress has appropriated nearly \$2,000,000,000 out of borrowed funds for national defense. I do not find fault with that action, but why not let future Congresses determine future defense policies? Is the vision of the Seventy-fifth Congress so superior that it must commit all future Congresses to a foreign policy which cannot well be abandoned, once it is launched?

Keeping in mind only our own national defense, the traditional policy of America through the years has been to follow the powers at a safe distance, leaving the devil-inspired role of armament race leadership to the imperialistic powers which have chosen to live by the sword. Under the pending bill the tried American policy is abandoned, and America for the first time becomes the mad, haughty, snarling leader of the international pack.

Many phases of the pending bill should be thoroughly studied by the Congress and the country. I hope to discuss some of them more fully during the searching consideration which the Senate is certain to give to this most unfortunate proposal.

Some of the topics which I expect to discuss in the near future, all of which are directly involved in the provisions of this bill, are:

The present unusually bright opportunity for international cooperation and understanding.

The prohibitive costs of modern warfare against a well-armed foe, which have placed the temptation of conquest beyond the reach of ambitious dictators.

The futility of attempting to promote democracy on foreign soil by the sword.

The necessity of organizing American industry to manufacture munitions of war by educational trial orders.

For every war machine there is an antidote. (The most practicable and effective national defense is the successful search for the correct antidote for all the newly designed implements of war.)

The grave danger of depending for national defense upon obsolete fighting machinery. (Many military experts would fight the next war with the last war's equipment.)

The terrifying dangers to our democracy involved in our rapidly growing national indebtedness.

The four main points advocated by George Washington in outlining a wise foreign policy in his Farewell Address.

That Navy and Army expenditures should be based on the needs of national defense and not upon such a perfectly stupid thing as the so-called 5-5-3 ratio. And many other related topics which should be given careful thought and study in connection with the pending bill. Today, however, I will content myself with a discussion of only one very important phase of the measure before the Senate. I want to point out America's natural defenses and in some measure attempt to calm frightened American people suffering from an unjustified war-scare panic.

America has never been so far removed from a war at any time in her history as she is right at this moment. There is not one American war cloud in the whole international sky. I am, of course, taking it for granted that we are not as yet an aggressor Nation and that we will not meddle in other peoples' wars or attempt to promote democracy or any other doctrine with the sword. If America insists upon carrying a chip on her shoulder, prejudicing other nations' morals, and finding fault with the kinds of government they set up she can pick a fuss before sunset today, but there is not now

one power in all the world with any intention whatsoever of attempting an invasion of America, and therefore I conclude that all dangers of an American war are indeed remote.

Mr. VANDENBERG. Mr. President, would it interrupt the Senator unduly if I should ask him a question at that point?

Mr. JOHNSON of Colorado. I am glad to yield to the Senator from Michigan.

Mr. VANDENBERG. I agree with the Senator's conclusion, provided that we are not proposing to implement the President's Chicago speech. What has the Senator to say about that?

Mr. JOHNSON of Colorado. I do not pretend to know what the President had in mind when he spoke of "quarantine" in his Chicago speech. If he meant that America is hereby quarantined against all aggressors because we do not want them to come to America and catch hell or smallpox or something else, then his quarantine statement was well taken.

Mr. President, any person, whether he be in this Chamber or elsewhere and whatever his purpose may be, who spreads war-scare propaganda concerning an impending war that is not impending, is, in my opinion, America's enemy No. 1. He is contributing consciously or unconsciously to the present fear-inspired recession that has America so firmly in its clutches, and he is contributing unnecessarily to the misery of American mothers who see their sons at this very hour about to be conscripted into a war draft that does not exist. No trait of human nature is so despicable as that which prompts a person to deliberately frighten others. Many misinformed Americans are in a war panic right now largely because of the psychology developed by this unfortunate bill which we are considering today. America will be in no danger of a defensive war until some implement of war not now thought of is invented or devised which will enable foreign powers to span the oceans surrounding our country as easily as we now span the Potomac, and when that evil day comes upon us, 45,000-ton battleships and every other kind of battleships will be as obsolete as the armada of Philip II.

In my brief discussion of the difficulties of foreign invasion—since I make no pretense of being an expert on the subject myself—I will quote freely from what I consider to be reliable authorities and students of this technical subject and will try to prove through them that America cannot be successfully invaded.

On repeated occasions the statement has been made that without the huge increase contained in this bill the United States would be an easy victim for any nation bent on attacking or invading the country from overseas. As a matter of fact, the only justification that can be made for this contemplated expenditure of billions of dollars is that the United States does not now have an adequate military and naval defense to protect the country against invasion.

What are the real facts of the situation? Are we, as has often been asserted recently, another Ethiopia, or another China? If we are, if our situation is in any way comparable, then it behooves us to support this measure. If we are not in a difficult position because of geographical or existing defense set-up, the lack of any reasonable possibility of successful invasion, and the strength of our fundamental policy of defense of our neighborhood—a policy wholeheartedly accepted by the American people since the time of George Washington—there is no justification for this program.

The best evidence of impartial military strategy is to the effect that we are in a particularly advantageous geographical position, one which gives to this country assurance that there is little reason to fear a successful invasion.

Speaking on the chimera of invasion, Mauritz Hallgren, in his able study of our national defense policy, the Tragic Fallacy, has this to say:

From both the political and the economic point of view the likelihood of invasion is so remote as to be practically nonexistent. The country can rest assured that that potential enemy which the admirals and generals see lurking almost everywhere beyond the American borders, ready to pounce upon the Nation and make off with its wealth and its virtues, will for a long time to



come remain merely a bogeyman with which to frighten Congress into providing more money and more jobs for the Army and Navy. Still one might concede, but only for the sake of the argument, that an attempt to invade the United States can at least be imagined.

But where is the enemy to come from? If it be granted, as it must be, that neither Canada nor Mexico would be the invader, it follows that the hostile army must be moved across one or both of the oceans flanking the country. Even if the invading force were to seek to establish its base in Mexico or Canada, as some politicians and generals seem to fear, it would first have to be transported across the Atlantic or the Pacific. The only occasion in modern times when anything like that has been achieved was when the A. E. F. was sent to France. The most practical measure of the defensive force that might be brought against the United States may be found, therefore, in the transportation records of the A. E. F.

General Palmer once declared in this connection that "before the war nobody in the United States ever dreamed that any country could, in 1 month, ship across the Atlantic and land on a foreign shore about 350,000 men; but we did it." This would seem to suggest that the feat could easily be repeated in an operation directed against the United States. But that suggestion does not stand the test of factual inquiry. To begin with, it was not until after the country had been a year at war that it was able to send troops across the ocean in appreciable numbers. The movement began slowly in June 1917. In December only 49,515 men were transported. By the following April the monthly total had increased to 118,642. In May it went to 245,945; in June the number was 278,664; and in July, the peak month, it increased to 301,350 troops.

To move this unprecedented army an unprecedented fleet was needed. To quote the Ayers report:

"In building our trans-Atlantic and channel fleet every possible source of tonnage had to be called on for every ship that could be secured. The first great instrument was to seize German vessels, which came into service during the fall of 1917. The taking over of Dutch steamers in the spring of 1918 and the chartering of Scandinavian and Japanese tonnage accounted for great increases in the cargo fleet. . . . The most ample credit must be given to the Emergency Fleet Corporation, which turned over nearly a million tons of new ships, and to the shipping control committee, which stripped bare of all suitable vessels our import and export trade and turned over for Army use nearly a million and a half tons of ships. The Army vessels also came from 12 other nations well scattered over the globe."

In a word, the United States had to seize ships, borrow ships, build ships, and even strip its foreign trade bare in order to provide ships to move the A. E. F. to France. Finally it got together approximately 3,800,000 tons. But even with this enormous fleet it could do no better than move 306,350 soldiers to France in any one month, although the combined harbor facilities of France and England were at its disposal.

Mr. HOLT. Mr. President, will the Senator yield there?

Mr. JOHNSON of Colorado. I am glad to yield to the Senator from West Virginia.

Mr. HOLT. In other words, the difference is that at that time we were landing our soldiers at friendly ports. But in the event of attempted invasion of our shores, the enemy vessels would have to try to land at unfriendly ports. Is not that correct?

Mr. JOHNSON of Colorado. In the World War not only did the troop ships land at friendly ports but the seas surrounding those ports were all patrolled by friendly nations.

Despite the fact that for the most part it was a mass infantry army that was being transported, equipment and provender took up considerably more ship space than did the troops themselves. It took no more than 403,000 tons of shipping to move 306,350 men, but in the same month 1,350,000 tons were used in carrying supplies. Notwithstanding this extraordinary effort, there was still not enough tonnage and not enough harbors to accommodate all the supplies the Army needed. General Dawes, who was in charge of the service of supplies in the A. E. F., has said:

"Owing to the lack of shipping facilities from the United States, it was possible for the American Expeditionary Forces to secure, during the first 7 months of its existence, less than 500,000 ship-tons of material from the United States . . . it was necessary, during that same time, for us to secure from France, which was largely stripped of supplies, and from Europe, over 2,000,000 tons of supplies. During the 19 months, I think it is, from June 1917, when we first landed, to December 31, 1918, it was possible to ship from the United States to our Army only about 7,600,000 ship-tons of supplies, whereas the Army secured for itself, under emergency over there, 10,000,000 tons of material and supplies during the same period."

No single power, not even Great Britain with its immense merchant fleet, could hope to duplicate this truly remarkable movement—unless the conditions confronting that power were the same as those which obtained in 1917. The British Empire has today far more shipping than the United States could command during the European war—it has in all about 15,000,000 tons of ocean-going vessels—but it is a serious question whether it could

spare as much as 3,000,000 tons for the purpose of an expeditionary force with which to invade the United States.<sup>1</sup> Japan's ocean-going trade fleet totals only slightly more than 3,000,000 tons, and that country, having the same economic problem as England, could likewise spare few ships. Norway has about 3,000,000 tons, Germany somewhat less, while France and Italy, next in order, have about 2,500,000 tons apiece. To move an army of 2,000,000 men, say, would require a transport fleet of no less than 23,000,000 tons—that is, if the army were to be transported in a single movement—and these powers together in all probability could not get together half that much tonnage for such a purpose. Who, moreover, would try to move upward of 2,300 ships in a single expedition? Indeed, the enemy would be bound in any case to send a relatively small attacking force ahead in order to gain a base somewhere along the American coast. How large might that force be? To judge by the testimony given by the generals in 1919, they feel that it might include 300,000 men.

Mr. President, I ask unanimous consent to insert at this point in my address the remainder of this chapter, which is all intensely interesting.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

But could an enemy move even such a force across the ocean in a single movement? It is quite impossible. The A. E. F. managed it, not in a single movement but in a number of convoys over a period of a month. And then it could not carry half of its supplies. How much cargo would the enemy need? Something more than 17,500,000 tons of supplies were assembled in France for the 2,000,000 men of the A. E. F. On this basis 2,625,000 tons would be required for 300,000 men. For each of the 7,452,000 tons of cargo sent overseas to the A. E. F., about 1.2 tons of shipping were used. Presumably, therefore, about 3,150,000 tons of shipping would have to be provided for the enemy's cargo. To this would have to be added about 400,000 tons of transports and extra fuel, repair, and other auxiliary vessels. The total would run to at least 3,600,000 tons. Dividing this by 6,200 tons, the displacement of the average British merchant vessels, it is seen that the expedition would consist of about 580 ships, and that would not include the naval escort.

It would be madness itself to send such an armada across the open ocean on a hostile mission. To maintain reasonably effective command and intership communication such as would be indispensable to the movement of the expedition would be a superhuman task. The fleet could never be kept together in adverse weather. To protect it from harassment by American submarines and surface raiders (it must be supposed that the American battle fleet has already been wiped out) would require an enormous naval guard, and that would add to the difficulties of command and communication. Lastly, the expedition could move no faster than its slowest unit, which would mean that its speed would have to be kept down to about or below 10 knots. To imagine such a ponderous and slow-moving giant launching a surprise attack upon the American coast is to give way to sheer fantasy. The expedition would never arrive as a whole or in anything but a greatly weakened condition—that is, if it managed to arrive at all.

A more prudent enemy would stake his chances on a considerably smaller force. How small it might be can only be guessed at. If the tonnage were cut to one-sixth of that needed for an army of 300,000 men, the number of ships could be reduced to 97. Indeed, then the enemy could use bigger and faster ships. The average displacement might well be 10,000 instead of 6,200 tons, with the result that a total of only 58 ships would be required. Even such a fleet, as the studies of British and American naval experts indicate, would prove extremely difficult to keep in hand. The attacking force of the expedition would similarly be

<sup>1</sup> Great Britain must import most of the food it consumes, and all of this food must be brought in by water. If this service were seriously disrupted for even as long as a month, the British would be facing widespread hunger, hardly a fit condition in which to carry on a major war. British economy, moreover, depends in the main upon its sea-borne trade. Unless the British can continue to bring in raw materials and sell their manufactured wares abroad their economic machinery must bog down and so imperil the war effort, if indeed the resultant depression did not destroy the morale of the British people. In addition, extra tonnage would be needed to carry raw materials to England for manufacture into munitions. Clearly, then, the British could spare very few ships for a hostile expedition against America. The invading army would not carry with it such things as freight cars and steel rails, which were included in the A. E. F. cargo. On the other hand, it would include as many as possible of the latest motorized and mechanical weapons, and these would take up valuable ship space used by the A. E. F. for other things. Then, too, the enemy would have to carry enough ammunition, repair supplies, and food to last him perhaps 10 weeks, and also sufficient landing gear to help him get his force ashore. Possibly he could get along with less than 2,625,000 tons of cargo. Surely he would try to do so. But the chances are that he would need even more for an army of 300,000 men.



reduced to one-sixth, or to about 50,000 men. The enemy would probably not risk a smaller expedition for fear that his attacking force would be so weak as to be helpless in the face of the defending army. Yet he would be under great temptation to reduce his armada still further for fear that even a fleet of 58 ships would be so unwieldy as to defeat the purpose of the expedition.<sup>2</sup>

Certainly the enemy would not risk a larger armada than this, if anything, he would lean the other way. He might sacrifice cargo for the sake of providing more ship space for his attacking force, but that would be further to impair the potential effectiveness of his initial attack. And it would, by giving him less ammunition, endanger his chances of holding whatever base he might succeed in establishing until his supplies could be replenished from across the ocean. Weighing all of the probabilities, therefore, and accepting a maximum that is generous in the extreme, it would appear that an attacking force of 50,000 men, with proper equipment and weapons, would be the largest that an enemy might possibly in the foreseeable future bring against the United States.

Yet the enemy could not clear a single transport or cargo ship from his ports until he had first disposed of another exceedingly important matter. When the A. E. F. crossed the Atlantic it had the protection of the combined British, French, and American Navies. The German Fleet was bottled up beyond Jutland. True, there were submarines about, but the Allied naval strength was so overwhelming that the submarines did not constitute a major menace, though they did sink some 200,000 tons of cargo ships destined for the A. E. F. The enemy with which the United States might have to deal would find it impossible to move across the ocean until he had defeated and destroyed the American Navy. Even if he could land an expedition on American territory by surprise, it would be suicidal for him to attempt to do so while an American battle fleet was still in existence, for that fleet could promptly cut the landing party off from its supply bases. But the American Navy is today supreme in its own waters as against any other two fleets that might be brought against it.

Let it be supposed, nevertheless, that the American Fleet can be and has been wiped out. What would the enemy do next? His expedition would set off from his home ports, but where would it seek to land? In Boston or New York or Norfolk? That would be most unlikely. The coastal and harbor defenses of the country offer an even more effective shield (if they are maintained in an efficient state) than does the Navy. The Dardanelles and Saloniki have revealed the tremendous and perhaps impossible odds that an approaching hostile fleet has to face in endeavoring to reduce and capture a fortified shore position. American admirals have admitted that not a single battleship would be required to protect a fortified American harbor. "The protection of the harbor itself," they have said, "should be sufficient by forts, mines, and submarines without the aid of the fleet." They have further conceded that forts and mines alone, without the aid of submarines, are quite enough to "prevent any fleet from bombarding New York" or any other seaboard city.<sup>3</sup>

#### THE CHIMERA OF INVASION

Admiral Mahan, Captain Knox, and other American authorities have known and written about the "tremendous difficulties" that would be encountered in any attempt to invade the United States in this particular fashion—that is to say, by attempting to land a hostile army in any harbor or at any other fortified position. The British are well aware of these difficulties, and so, too, are the Japanese, Germans, French, and Italians, for they have all had to deal with the same problem in their own military experience.

<sup>2</sup>Indeed, to anyone familiar with the problems of convoy it would seem the height of reckless audacity to attempt to send a fleet of that size across the ocean. In the Great Pacific War Hector Bywater considered a problem involving a hypothetical American expedition to be sent from Hawaii to the Bonins. He included no more than 25 transports, which were carrying an infantry and artillery force of 22,000 men. He sent the supply ships on ahead as far as that could prudently be done. He stripped the cargo down to the bare essentials, even ignoring primary ammunition needs. He resolved every doubt in favor of the expedition, going to the extreme length of assuming that the Japanese intelligence service had completely broken down so that the expedition might have the advantage of surprise, for he realized that without this element it would certainly fail. Yet, when he came to consider known probabilities, his problem worked out in such a way that these probabilities not only defeated the purpose of the expedition but brought it to the verge of disaster. To be sure, the Japanese fleet was still "in being," and Mr. Bywater conceded that to have launched a hostile expedition against Japan in the face of that circumstance was extremely daring. But he felt that if the element of surprise could be preserved, the scheme might still succeed. In the end, however, it was not the discovery by the Japanese of the approach of the expedition that led to its failure, but mechanical difficulties, the problem of command, and adverse weather. (Bywater: *The Great Pacific War*, Boston, 1932, pp. 158-189.)

<sup>3</sup>Hector Bywater has stated the problem in the following terms: Guns mounted on shore are on an unsinkable and steady platform, where they can be provided with unlimited protection and accurate range-finding devices. Guns mounted on board ship are on a sinkable, unsteady platform, their protection is necessarily limited, and methods of range finding afloat cannot be brought

What an invading army would be more likely to do would be to seek a landing at some unprotected spot along the coast.<sup>4</sup>

It is conceivable that this could be done. Some years ago it was reported that there were "116 places on the coast where it was perfectly practicable to land an expedition entirely clear of all fortifications." But it must be added that the best landing places are in the harbors and at the approaches to the larger inlets, and these are all protected. The remainder are far less suitable for landing cargoes or troops, while the navigation charts of the Coast and Geodetic Survey indicate that most of them are beset with shoals and other natural obstacles that would tend to make a large-scale landing even under the most peaceful circumstances extremely hazardous, if not impossible. With all the advantages it had, the A. E. F. needed 2 to 3 weeks to unload 450,000 tons of cargo, and that it achieved only at the peak of its effort. How long an enemy would take to put his 50,000 men and his cargo of 450,000 tons ashore, without harbor facilities or other aid, no man would dare say. Under fire, as he would be, he could never accomplish this purpose.

But even were he by some miracle to succeed in this, he would only have just begun. The A. E. F. landed on friendly territory,

to the same degree of perfection as on shore. The shore gun of equal power has therefore a great advantage over the gun mounted on shipboard, an advantage which is increased if the former be mounted on disappearing carriages, as are the seacoast guns of the United States. . . .

Guns mounted ashore in emplacements protected by massive armor and concrete are almost impossible to put out of action, and . . . their fire can be directed with extraordinary precision even at the longest ranges. An equal degree of accuracy can never be attained when firing from a ship. During the Great War coastal bombardments were reduced to a fine art in the Dover Patrol, yet, according to Admiral Bacon, the mathematical chance of hitting a lockgate at Zeebrugge—a larger target than would be offered by a gun mounted ashore—assuming absolutely accurate aiming, was once every 67 rounds. But since aiming from a ship at sea can never be quite accurate, the chances of making even this limited number of hits from a moving platform are substantially less than the mathematical calculation would suggest. At the same time the formidable nature of fire from heavy-caliber guns mounted ashore was repeatedly demonstrated in the operations off the Belgian coast. On one occasion the monitor *Lord Clive* was heavily shelled by the German batteries at ranges between 18,000 and 22,000 yards, the salvos falling with uncanny precision and several direct hits being made. It was found subsequently that the German 12-inch and 15-inch guns could make very straight shooting up to 32,000 yards. The new American 16-inch 50-caliber gun at full elevation would have a range of 45,000 yards, and a single hit from its 2,100-pound shell, descending at a very steep angle, might prove fatal to the largest battleship. A limited number of these weapons, so mounted as to command the line of approach . . . would probably suffice to keep the strongest fleet at a respectful distance. . . . (Bywater: *Sea Power in the Pacific*, Boston, 1921, pp. 249, 294-295.)

<sup>4</sup>The Atlantic coast alone could be considered in this connection. It is fantastic to suppose that the Japanese would attempt to land an army anywhere along the Pacific coast. Japan simply has not the tonnage to enable it to act alone, and certainly, though it had allies in Europe, these allies would never send transports and supply ships all the way around to the Pacific to join in the expedition. They might try a simultaneous landing on the Atlantic coast, but that would be to divide and so to weaken their forces.

However, a combined force might seek to land in Mexico or Canada. Success in establishing a base on Mexican soil would give it a certain advantage, but this would be offset, or more than offset, by its disadvantages. The enemy would have to move across hostile territory and over difficult and treacherous terrain before he could reach the American border. That would give the American forces time to organize and concentrate, time that they might not have if a landing were made directly upon American soil. And the American Army would still have the enormous advantage of an established communications system and a practically inexhaustible source of supplies immediately at hand, while the enemy would have to rely upon makeshift communications, and his major source of supplies would be thousands of miles away. The same would be true in the case of Canada. Here, moreover, there would be an added disadvantage for in all human probability Canada would join its military and economic forces with those of the United States in seeking to repel the invader, even if Great Britain were the invader (unless the United States had brought the war upon itself by some flagrant transgression of international morality). For if Canada were to permit British or any other troops to land on its soil for such a purpose, the United States would hardly hesitate to carry the war into the Dominion, and thus Canada would become the battlefield. Rather than permit the devastation of its territory that would follow, and knowing that it is far easier to repel an enemy before he lands than to destroy him after he has landed and established a base, Canada would in all likelihood choose to prevent him from landing and establishing his base.

In short, an invading force, taking all of these factors into consideration, would almost certainly come to the conclusion that its best chance of success lay in seeking to deliver a quick and surprising blow at the United States by means of a direct landing upon American soil.



under the protection of friendly governments, who did everything they could to assist and expedite the debarkation of the American troops and whose own armies were meanwhile engaging the enemy, literally holding him back, thereby giving the American Army a chance to acclimatize and adjust itself, to establish its bases without molestation from any quarter, and to complete its training before moving into battle. An army attempting to invade the United States could count on no aid whatever. After it had landed, it would undoubtedly have to fight its way through enemy lines before it could establish a suitable base, rig up protection for its communications, arrange for fresh water and similarly indispensable supplies, and take such other measures as would be necessary before it could begin hostilities in earnest.

And then where would it be? It would be thousands of miles from home, in a hostile foreign land—an isolated force of definitely limited strength, dependent solely upon the equipment and supplies it had brought along. And it would be facing an American Army defending its own soil, an Army with the resources of a Nation of 130,000,000 people at its immediate command, in control of a great network of railroads and highways and other lines of communication, and intimately acquainted with the terrain over which the war would be fought; an Army, in short, that would be overwhelmingly superior, man for man, to any invading force that could possibly be landed on American shores.

Meanwhile the enemy would have to begin thinking of reinforcements. For him to attempt to conquer the country or any small part of it with the small force he might bring over at the start would be suicidal. The object of the first expedition would be solely to secure a base of operations. The enemy would have to bring reinforcements directly from his own territory after the landing of this initial expedition, for the landing operation, if it could be accomplished at all, would certainly take weeks, probably some months, and it would be foolhardy to keep a second expedition hovering out in the middle of the ocean, the prey of disease and shortening food rations and storms and American submarines, during all this period. How long would the enemy have to wait for reinforcements? He would in all likelihood have used his largest and fastest available ships in the original expedition. To send them back for more men and new supplies would take 5 to 10 weeks. The average "turnabout" for vessels in the A. E. F. service, says Colonel Ayres, was toward the end, when the system had been perfected, "standardized at about 70 days for cargo ships and 35 days for troop ships." "The enemy might save time by using the slower ships he has left at home. That, too, would mean delay. A 10-knot ship takes at least 26 days to cover 3,000 miles of ocean. Could a small enemy force of, say, 50,000 men hold out for as much as 7 to 10 weeks on American territory?"

Mr. JOHNSON of Colorado. Maj. Gen. Johnson Hagood, United States Army, retired, an outstanding soldier, a student of military science and tactics, the author of one of the best books on our defense problem, *We Can Defend America*, discusses our situation in respect to the possibility of invasion in the following words:

The fashion of the day is to minimize the strategic strength of the two great oceans on our east and west and to discount the enormous difficulties that these trackless seas would impose upon our would-be invaders.

He goes on to put the case against invasion in the following fashion:

Suppose, for example, an Asiatic power should attempt to conduct a submarine campaign against our shipping on the West coast. It would expend 10,000 miles of its cruising radius coming and going. That would occupy 30 days. Allowing 15 days for operations in our area and from 15 to 30 days for overhaul after return, we see that each vessel could spend only about 15 days out of 135 days in our waters. That would be a charitable allowance and would not allow for break-downs, counterattacks, forced submergence, and all those other consequences of war.

It is probable that such an enemy would do well to maintain an average of one submarine out of seven in our waters. Besides this, after one attack the submarine would be located, and our shipping would be rerouted by radio to pass at a safe distance from the enemy's position; that is, it would pass at such a distance from the place where the submarine was last sighted that it could not get to our ships upon the selected day.

Raids by enemy aircraft would present even greater difficulties. Carriers cannot hide by submergence. They must resort to stealth. They would have to approach within flying distance of our coast, launch their planes, and then go off to some appointed rendezvous against their return or lose them. The attack from the air would give away the presence of the carriers, and the latter's chances of escape would be slim, even if they abandoned their planes and set out at once for home, because the distance would be so great that our cruisers would have no difficulty in cutting them off and destroying them.

Raids from such a distance, whether by submarine, by air, or by fast surface ships, are attended by the gravest disadvantages from a military and naval standpoint and are fraught with danger of complete loss. Matching all this against the inconsequential effect that such operations would have upon us, it will be seen that they will seldom be resorted to and much less often repeated.

General Hagood, describing the only possibility of a successful invasion, points out that the invader can only insure success by the "seizure of an advanced base":

There is just one way in which sustained sea power can be exerted against us, whether it be by blockade or by direct attack on our coasts, and that is by the seizure of an advanced base. Such a base must be within a short cruising radius of our coast, by air or by sea as the case may be, and the operations undertaken from such a base must be by a force superior to our own. Here again, however, this would involve defeating our fleet and, in addition, the successful landing of troops and supplies thousands of miles from home. After this it would be necessary to maintain a continuous and unbroken line of sea communications over which must pass thousands of tons of fuel, ammunition, gasoline, food, and all the other multitudinous supplies and equipment that are consumed in such vast quantities in time of war. (*We Can Defend America*, p. 36.)

It should be pointed out that this would mean that on the Pacific the invader would have to seize either Hawaii or Alaska, or both, before there could be any reasonable assurance of success. In view of the strong defensive establishments at Hawaii there is grave doubt that an invader could accomplish the seizure of the islands. Defense of Alaska could be well taken care of by the establishment of a base in one of the ice-free harbors of the Aleutians. With these two strong points on the Pacific the invader would face a difficult, if not impossible, task.

General Hagood, summarizing the position of the Navy in our national-defense system, says:

The Navy is our first line of defense and our main dependence for the security of our country and of its contiguous ocean areas.

Its mission is powerfully supported by the broad expanse of ocean separating us from possible foes, by the fortunate location of our harbors, and by our outlying bases within the limits of our naval frontier.

This Navy must be maintained at an over-all strength second to none; in our own waters it must be superior to all. (*We Can Defend America*, p. 39.)

"In our own waters!" Mark that phrase, for it applies with particular force in the present situation.

General Hagood goes on to discuss the ratio situation in the following terms:

We must balance its battleships with other types to meet our particular needs and not be tied down by artificial and arbitrary ratios that may be set up by other powers. (*We Can Defend America*, p. 39.)

Note that he says, first, regarding the question of battleships:

We must balance them with other types to meet our particular needs.

Second, on the ratio question:

We must \* \* \* not be tied down by artificial and arbitrary ratios.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I am glad to yield to the Senator from Vermont.

Mr. AUSTIN. I am glad the Senator refers to General Hagood as an authority. I cannot help commenting at this point, in passing, that it is a great misfortune that such a distinguished and able man should have been disciplined by the President of the United States because he undertook to advise a committee of the Congress which had invited him to give his opinion on a similar subject.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I am glad to yield to the Senator from Missouri.

Mr. CLARK. I do not desire the remark of the Senator from Vermont to pass unchallenged for this reason: The reason why General Hagood was disciplined was that he made a general onslaught on the whole policy of the administration, involving many things that did not have a thing on the face of the earth to do with the matter of national defense, bitterly criticizing Congress and the President because they had seen fit to spend money in certain forms for relief rather than spending it for barracks and equipment of various kinds which General Hagood thought were preferable.

Mr. AUSTIN. Mr. President, he ought to have the protection of the Congress when he makes such statements, even



though they exceed the boundaries of what would be regarded as good taste by legislators. A man in his position, who is called upon to appear as a witness before a committee of either House of Congress, it seems to me should not be held up before the people as deserving of demotion or of military punishment for statements made before such a committee. That is merely my personal view.

Mr. JOHNSON of Colorado. The Senator is entitled to his opinion. I thank the Senator from Missouri for his contribution.

Another discussion which is of particular value in respect to Japan has this to say about the objectives of the Japanese naval strategy:

The objective of Japan's naval strategy is, as we shall see presently, of a more limited or negative character than that of the United States. She will not fight with us for the trident of the Pacific (Alaska, Hawaii, Canal Zone); she realizes that this is hopeless, and, besides, there is no need. Her strategy will be limited to an effort to prevent us from controlling a single fork of the trident—and the most difficult—the western Pacific. (War on the Pacific, p. 234-A.)

This quotation is taken from a detailed study of the possible and probable naval operations in the Pacific in the event of a war there which involves the United States. The study is prepared by two men who have spent several years of research on the question. Speaking of a war in the Pacific, they say:

Conflict with the United States will be, for Japan, an immediate matter of national life or death. Conflict with Japan will be, for the United States, in its origin and conclusion, an immediate matter of business, of national prestige, and of what is called national honor. (War on the Pacific, p. 324-A.)

Gen. William C. Rivers, United States Army, retired, a gentleman who has given a great deal of thought and study to the problem of our national-defense situation, discusses the bogey of invasion on the Pacific.

In an address on the subject Shall We Go to War? the general stated:

Much of the talked-of naval fighting across the Pacific would be, in fact, but attrition and shadow boxing. A modern warship is so tied to a base that it can operate but 2,500 miles away—then back to the base for fuel, supplies, and repairs. Neither Japan nor America has enough merchant ships for fleet auxiliaries should there be a desire to send an armada across 6,500 miles of sea.

"Neither Japan nor America has enough merchant ships for fleet auxiliaries should there be a desire to send an armada across 6,500 miles of sea." It does not look as if the two nations could come into conflict.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CLARK. In that connection, it may be of interest to the Senator from Colorado and to the Senate to know that it was disclosed by Chairman Kennedy, of the Maritime Commission, shortly before he resigned that position, that the recommendations to the Maritime Commission from the Navy Department for auxiliaries would have required the construction of 500 large merchant vessels to serve as auxiliaries to the fleet. Of course, that would also involve, at the present rapidly increasing cost of construction, more billions of dollars than any of us could contemplate, or would certainly like to contemplate. The fact that the Navy Department itself has made a suggestion of the necessity for 500 merchant vessels to serve as auxiliaries, to my mind, bears out very completely the quotation which the Senator from Colorado just read as to the stupendous undertaking tied up in an attempt to maintain a naval fleet at any great distance from its base.

Mr. JOHNSON of Colorado. I thank the Senator for his statement. I proceed with General Rivers' statements:

We have 488 merchant vessels in foreign trade. The fleet alone would need 900 such ships—to transport an army there would be required some 2,500 additional merchant ships. The Panama Canal is more than 9,000 miles from Japan and 2,000 miles directly south of New York. The passage of an armada to the Canal across such a vast area as the mid-Pacific would be an adventure so fraught with difficulties as to be impracticable.

General Rivers proceeded:

No exposed salient 7,000 miles away, as in the case of Manila, has ever been successfully defended where both the opposed countries possessed extensive fleets.

If it be true, that we cannot defend an area 7,000 miles from our shores, it is likewise manifestly impossible for any enemy successfully to operate against the United States at such a distance from their home base. Such a distance would be involved in the event of Asiatic invasion of the United States. Note also that General Rivers states that a modern warship is so tied to a base that it can operate but 2,500 miles away, then it must go back to the base for fuel, supplies, and repairs. What would be the fate of an Asiatic power under such conditions if it attempted to invade the United States?

In any discussion of the possibilities of invasion of this country it is well to remember the limitation placed upon the invader by the distance to be covered. Dupuy and Eliot in their book, *If War Comes*, another very excellent study of the defense problem, have this to say:

Warships, like aircraft, cannot operate at any great distance from a base of supplies. A modern fleet, composed of all the necessary elements, is limited to an approximate radius of action of 2,500 miles by the fuel endurance of the destroyers, the least far-ranging type of ship which is necessary to it. This radius can be increased only by the addition of a train of supply vessels, likely to be slow and certain to be difficult to defend and a continual embarrassment to the commander in chief. The radius of individual heavy warships is, of course, much greater than this; we are here speaking of a fleet, which is the major instrument of naval power and cannot act effectively unless complete in all elements.

Naval power, therefore, can operate vigorously and effectively only in a maritime area where it possesses a base of operations; a base which combines the three qualities given as requisite by Mahan: Strength, resources, and situation.

It should be kept in mind that the fleet is primarily an offensive weapon; it properly acts on the offensive even when its strategical mission is one of defense. Since the sole function of a naval base is to give the fleet support within a given maritime area, it follows that the primary purpose of the base is offensive and not defensive, as has already been said of great land fortresses.

In his testimony before the House Naval Affairs Committee, General Rivers said:

I believe that it is admitted by the naval experts and in general that our fleet, while in our own waters, cannot be overcome by the fleet of any other great power; also that our normal line of defense in the Pacific is from the Aleutians to the Hawaiians and on to the general region of the Panama Canal. Hawaii is many hundred miles away from our coast, more than 2,000 miles from San Francisco. It is well known to the American people in general that the United States has no territory whatever in China, and no political interest at all in Asia. Also, that Britain and France control large areas of territory which they took by force from the Chinese, which France and Britain show no desire to return to China; to safeguard the territorial integrity of China.

Discussing the need for an Alaskan base, he said:

A modern fleet based on the Aleutians can defend our west coast and the Panama Canal better and more economically than a fleet based on Honolulu. Honolulu is useful as a secondary defense and to aid in defending the Panama Canal, but it does not happen to lie within 2,000 miles of the sea route to Japan. The aircraft, the submarines, mines, and the fleet itself should be in the Aleutians, which are squarely on the route to Japan.

Pointing out the advances made in naval warfare, he contrasts the old wooden ships with the modern navies:

Some of the western peoples have the illusion that with the great modern navies they ought to be even more able to retain control over distant and lesser-advanced people, the control they got in the days of the frigates and the two- or three-decker wooden ships with their 30 to 90 smooth-bore guns on the deck.

A modern fleet can operate in war but 2,000 miles from a large and complicated base for fuel, food, repairs, ammunition, and so on. The frigates of the past could remain out for years. Magellan, Vasco da Gama, and many others thought nothing of being absent from home ports for 2 or 3 years. In those old days also a small armada could control a vast territory—the lesser-advanced peoples had no rifles. Now all countries have rifles and machine guns; many very small nations have navies of a sort; some plan even to rent a navy, as we have heard.

General Rivers, summarizing his views as to what he calls a reasonable defense policy for the United States, says:

A reasonable defense policy for the United States could be expressed as follows: "We should maintain defense forces adequate

to protect our borders and coasts and to control the seas adjacent to—in the vicinity of—our own coasts." Our normal sea frontier in the Pacific would extend, therefore, from about the Galapagos Islands to Honolulu and to Unalaska in the Aleutians.

General Hagood, giving his views as to a reasonable defense policy, has the following to say:

We have got to accept the general situation in the western Pacific as we find it.

America can no longer protect American interests in the Sea of Japan, any more than Japan can protect Japanese interests in the Gulf of Mexico.

The people of the United States stand for the principle of Europe for the Europeans, Asia for the Asiatics, and America for the Americans.

Our sea frontier extending clockwise from Newfoundland to the Caribbean group, including Cuba and Haiti, and to Panama, Honolulu, and Alaska.

General Hagood means, I take it, that we are not any longer able to continuously protect our interests, say, in the Sea of Japan and elsewhere by naval and military force. There are frequently other and more common-sense ways of protecting our interests—by negotiations, by agreements to the mutual advantage of our own country and other countries.

Mr. President, it is important to point out that once the nations of the world become involved in a naval race, which is now happening, the result is a squirrel-in-the-cage policy, with the taxpayers of the other nations and of the United States footing the bill. The keeping-up-with-the-Joneses policy is described by General Rivers as a dangerous policy, one which may well backfire on the United States financially and psychologically. He said:

The result of our constructing such a superfleet may well be, I fear, very different from the evident desire of President Roosevelt. For a peaceably inclined people who live in a country easily defended by numerous and relatively inexpensive war implements of the lesser long-range and offensive type, to build a fleet larger than any the world has yet seen, to almost double its fleet, while retaining and adding to the offensive and long-range portions of that fleet, cannot help having great elements of provocation for other peoples.

It has frequently been said that an enemy invader could bring over enough planes in aircraft carriers accompanying the fleet to devastate important centers in the United States.

It has been pointed out by several persons, both in the debate and in the testimony, that aircraft carriers are a vital need of any fleet operating outside the land base which supports the fleet. The fleet must have aircraft carriers to be successful in offensive efforts. Something which has not been pointed out, however, is the fact that aircraft carriers are highly vulnerable. Dupuy and Eliot point out:

They are highly vulnerable targets, both to gunfire and to air bombs; even a few comparatively small projectiles can so damage the flight deck as to render the ship useless, though the vessel herself suffer very little injury.

This places another definite limit on any invader, because such vessels are necessary to advance an enemy fleet within striking distance of our defensive positions. Land-based airplanes operating from Alaska, Hawaii, Panama, and our west coast could outnumber the planes of any invader in the air. There is a definite limit on the number of planes that a fleet can support because of deck space; there is no limit to the number which a land base can support. It must be conceded from the beginning that an invader could never match our air strength with his own. This fact is but another illustration of the many disadvantages in which an invader would place himself by attacking our country from overseas.

Mr. HOLT. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. HOLT. Admiral Cook, in his testimony before the Senate Naval Affairs Committee, made the direct statement about airplane carriers, in this language:

They are extremely vulnerable.

Mr. JOHNSON of Colorado. I thank the Senator.

It has frequently been said that the pending bill is necessary not because any one nation could be successful in attacking us, but because a combination of nations could do the trick.

There is an excellent discussion on this point in the House debate on the bill. Representative LUCKEY of Nebraska

made an eloquent statement on the subject I am discussing, which appears in the CONGRESSIONAL RECORD and which I ask to have printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement referred to is as follows:

#### THE NIGHTMARE OF INVASION

Japan is the only naval power in the Orient and she is now engaged in a desperate struggle against China. In addition to that fact, she has at her very doorstep a traditional and powerful enemy—Soviet Russia—whose interests and natural spheres of interest coincide with those of Japan. Russia and Japan are rivals not only for trade but also for territory, and Russia has made no effort to mask her antagonism toward Japan. The present Sino-Japanese war has taken a terrific toll on the resources of the Japanese and the war is not over. No responsible student of far eastern affairs can imagine Japan turning her eyes away from her natural spheres of interest in the Far East to carry on an attack against the richest and most powerful nation in the world lying more than 6,000 miles across the waters. No one familiar with the far-eastern situation would consider Japan as likely to attack the United States and thus leave her forces divided against a Russian attack on her back. Not even the most foolhardy nation would attack a far more powerful nation upon her own ground unless there was a considerable prospect of success.

The nightmare of foreign invasion is based largely upon too much eating of propagandist doctrines as they emanate from the pens and mouths of our economic imperialists, shipbuilders, munitions makers, quack patriots, jingoists, and professional newspaper sales experts. A war against this country could not be won by one air raid or a series of air raids, or by one naval attack or a series of naval attacks upon our harbors. It would take an actual occupation of our country by an enemy force to bring about a victory over us. Every nation on earth realizes this and none of them would carry on punitive raids against our cities, our sea coasts, and our territorial possessions unless they planned to actually occupy the territory attacked and make it a base of war operations. Our fleet could engage another fleet on the high seas and be entirely destroyed, but we would not be defeated because we have the material resources and the capital to build our fleets anew. A city or several cities could be attacked from the air, but we would still be far from being defeated. To actually defeat us they would have to come over here and defeat us right where we are strongest—on our home ground—and where they are the weakest because they are thousands of miles away from their sources of supplies, both human and material.

#### THE DANGER OF JAPANESE ATTACK

Our naval officials regard the Japanese as our potential enemies and for that reason concentrate our sea forces in the Pacific. Let us survey our insular and other possessions in the Pacific. Nearest to Japan we have the Aleutian Islands and Alaska. The approach to the Aleutians and Alaska from Japan is guarded 80 percent of the time by dense fogs which make military operations nearly impossible. In addition we have military and air bases from which to operate our defense forces. If those bases are not strong enough at the present time they can be strengthened, and that strengthening is not considered in the present bill.

In the far Pacific we have the island of Guam. It is a tiny island of less than 206 square miles without resources to support a naval or military base. It is located right in the middle of the Japanese mandated islands and could readily be attacked by planes operating from the Japanese-controlled islands. Guam is located 5,063 miles from San Francisco and more than 4,000 miles from our nearest naval base at Pearl Harbor, in the Hawaiian Islands. From a defense standpoint, we would have no possibility of defending Guam even if we had twice the Navy we would have under the present bill. However, from the defense standpoint, Guam offers little in the way of a rich prize to any power who might be casting about with covetous eyes for more island possessions. Certainly Guam would never be made the cause of a war between Japan and this country. The game would not be worth the cost. Scattered around over the broad expanses of the Pacific we have a number of tiny islands which have been claimed through the efforts of the Navy Department in past years. In fact, two such tiny islands we have just claimed and are now engaged in a friendly dispute with Great Britain over them. These tiny islands are practically worthless from either an economic or defense standpoint. For example, Wake and Midway Islands are nothing more than small coral reefs, capable of supporting no kind of a military garrison and having no possibilities of development as naval bases. Japan has a host of similar islands that she cannot use, and she would hardly declare a war on us to get a few more.

The next point of possible attack is the Hawaiian group. The principal island of that group is Oahu, and upon that island we have our greatest naval base—Pearl Harbor—and our strongest Army post—Schofield Barracks. The island of Oahu, both because of the strong defense bases we have erected and because of the natural terrain, is impregnable. To attack the Hawaiian Islands, Japan would have to cross 3,300 miles of ocean from its nearest naval base. Naval experts have repeatedly stated that a fleet loses 40 percent of its efficiency by the time it travels 3,000 miles from its base. To attack Hawaii, the Japanese Fleet, which is far smaller than our own, would have to meet our fleet and air forces



operating from land bases. Even after defeating our fleet, if that were possible, they would have to land troops on a heavily fortified island manned by a large garrison. As long as we continue to keep Pearl Harbor as our greatest naval base and as long as we continue to keep Schofield Barracks as our greatest Army post, Hawaii is safe.

The scaremongers have talked about Japan attacking the Panama Canal Zone. Here are the difficulties that lie ahead of such an attack: The Canal Zone is fortified and has an air base as a part of its protecting force. If additional fortifications are needed, and if the air base at Coco Solo is weak, it should be strengthened, but that is not a matter coming under the naval bill we are discussing. It is 8,000 miles from Japan to the Panama Canal. Our great naval base at Pearl Harbor lies directly between the two points. A Japanese fleet leaving its home base would have an effective strength of only 60 percent when it reached Hawaii and our fleet there; and if the Japanese fleet could evade our Navy at sea, it would have an effective strength of less than 30 percent when it reached the Panama Canal Zone. In this weakened condition, it would have to face our defense forces located in the Canal Zone plus our naval strength from the mainland which would be sent down to protect the Canal Zone.

#### THE 5-5-3 RATIO FOR DEFENSE OR OFFENSE

Before leaving the Pacific it is worth while to look into the matter of relative naval strength between Japan and the United States. Our present naval strength exceeds that of Japan on an 11 to 7 ratio. In addition, we have our naval base at Pearl Harbor to base a fleet almost halfway to Japan. Admiral Leahy testified that our own Navy could not travel across 6,000 miles of ocean and attack Japan with any reasonable assurance of success. How then could a far smaller Japanese Navy cross the same ocean and attack us?

Lately we have heard a great deal about the 5-5-3 naval ratio established at the Washington Conference. We are told that we need to have a bigger Navy now because Japan has exceeded the 5-5-3 ratio. When the Washington Conference was called in 1921 the actual ratio between Japanese, American, and British Navies was about 5-5-3. At that time we had the Philippines which we were bound to protect and defend. The 5-5-3 ratio was one figured out by naval experts as about the ratio that would keep one naval power from being able to attack another naval power. To protect the far-off Philippines we had to have a ratio of 5 to 3 with Japan. Our admirals seem to have overlooked that point when they now tell us that we need to have a 5 to 3 ratio with Japan to keep her from attacking us, while the same ratio makes it impossible for us to attack Japan. The same ocean lies between us, no matter which one does the attacking.

#### THE DANGER OF ATTACK FROM EUROPE

If the attack that our big-navy advocates fear is to come from Europe, the Navy Department is strangely remiss in its duties when it keeps almost our entire fleet in Pacific and Asiatic waters. Possibly they do not fear a European attack; and if one looks over the European situation, he will see good reason for such a state of mind. In the first place, the only European powers that have a navy worth considering are Great Britain, France, Italy, and Germany. Germany, Italy, and France all have navies far inferior to our own. All three have enemies near at home against whom they must continually be on guard. None of them would consider sending a fleet against this country. If all three chose to join together in an attack upon us, they would still lack both sufficient naval strength and sufficient merchant tonnage to carry on operations. Great Britain is the only naval power with a sufficiently strong navy to attack us, and even then we would have a superiority when operating from our own shore bases. Everyone realizes that there is no danger of attack from Great Britain, and everyone knows that we are on the best of terms. However, the scaremongers continue to have a fear; so we must, I suppose, regard Great Britain as a potential enemy. She has a colonial empire scattered all over the globe which she must protect. To protect her colonial empire she has to divide her naval strength to keep part of it in the Mediterranean, part of it in Asiatic waters, and part of it in the Atlantic Ocean and North Sea. To attack this country, Britain would have to mass her fleets, thus leaving without naval protection her world-wide colonial empire, and would have to project her fleet and armies into the Atlantic, while leaving her own coast and territory unprotected from possible foes in Europe.

Mr. JOHNSON of Colorado. Representative FISH in his testimony before the House Naval Affairs Committee pointed out that it would be impossible from a financial standpoint for any nation to conduct an overseas war against the United States. He said:

I have a great admiration for Admiral Leahy, but, gentlemen, that is not sound. That is not common sense. Germany has \$28,000,000 worth of gold left. Italy has \$200,000,000 left. Japan has \$400,000,000 left, and they do not conduct wars overseas, far from their own lands, without money. They may do it within their own lands, and possibly in China, but elsewhere we find that it costs money, and it is a drain on their finances.

This is particularly true of the three powers mentioned by Admiral Leahy as a possible combination which could or would attack the United States or the Western Hemisphere.

It is well to point out that the chairman of the Senate Naval Affairs Committee, speaking on the floor of the Senate on Wednesday, when asked what combination might attack us, gave two answers: (1) Germany and Japan. (2) Japan and Russia. We heard the same statement today from the senior Senator from Illinois [Mr. LEWIS]. The combination of Japan and Russia is a new one, and it should be pointed out that these two powers are not now nor have they been for some years on very friendly terms. It is impossible to visualize within the bounds of reasonable possibility a combination of these two powers. They have been at swords' points in the Far East for years. Less than 10 years ago—indeed, only a year ago—there were armed clashes between the armies of the two powers. At the present time Japan is engaged in a life-and-death struggle with China, a China that is receiving material assistance from Russia.

How, under such circumstances, is it possible to conjure up such a fantastic combination? This sort of talk does not help in the sane consideration of important legislation such as is contained in the pending bill. It serves only to arouse fears that need not be aroused in the hearts of our people. It is the "sob stuff" of which the munition makers dream. It is the kind of talk that raises the price of armament stocks. It does us no good.

Dr. Thomas H. Healy, dean of the School of Foreign Service at Georgetown University, a man well qualified to speak on the foreign and naval policy, calls the oft-repeated scare story of a combination of Japan, Germany, and Italy invading the United States a "goblin tale." He said:

Numerous vague hints have been thrown out in recent weeks that Germany, Italy, or Japan, or the three combined, might menace Central or South America. These goblin tales might frighten bad children. Informed students of international affairs consider them too fantastic to even warrant serious consideration by adults.

What is causing the war boom in the United States? Dr. Healy, testifying before the House committee, has this to say:

Much of the basis for the present war scare and the proposed naval increase arises from the far-eastern situation. But few Americans today have any clear knowledge of what our far-eastern policies have been in the past or the present, or what they should be in the future. The amount of misinformation on such widely discussed things as the Kellogg Pact, the Nine-Power Pact, the open door, the Philippines, our stake in China, even the question of What is China? and other related far-eastern questions, is truly astounding.

For many years, the foreign policy and the naval policy of the United States seem to have been based on an assumption that sooner or later a first-class war between the United States and Japan was inevitable. Undoubtedly, the proposed 20-percent increase was influenced in large part by this premise. Anyone who makes a serious study of our far-eastern relations will see that there are no sound reasons of any sort which would make such a war inevitable or desirable.

When Congress delves into the true facts of our far-eastern policies, I feel certain that they will be shocked as well as astounded at what they find.

Gentlemen, I am not exaggerating when I say that the American people are in a complete daze as to what our foreign policies, and particularly our far-eastern policies, are. Before any step of the nature proposed is taken, there should first be a clarification so that we will know what we are doing and why. The grave danger is that this confusion itself about our foreign policies might easily lead us, by indirection, into a major war about things which do not fundamentally concern us, and that the passage of this program on top of the dangerous confusion might itself be the immediate cause of shoving us into such a war.

I have seen no sound reason whatsoever advanced to prove that it is urgent that this proposition be acted upon immediately. The existing confusion and widespread doubt indicate the wisdom of delaying long enough to permit of further investigation. It is certainly possible that that investigation may show that the proposal is justified. But on the basis of what is now known, it would seem that the proposal is not justified. The burden of proof is on the affirmative, and the affirmative has not yet put up a convincing case. I see no real danger in delaying long enough to give the affirmative an opportunity to complete their case, if they can. And if they cannot, it would be the height of folly for the American people to embark on a program which would not only involve considerable extra expense, but may itself produce just the results that we are trying to avoid; namely, the involvement of the United States in a costly war, which may not be required by important American interests. Gentlemen, I



would urge that the proposal be laid aside, at least temporarily, and that Congress first reexamine our foreign policies, and particularly our far-eastern policies. At the end of such a reexamination, this committee would be in a much better position to pass sound judgment on the proposed naval increase.

Jim Marshall, writing in Collier's an article entitled "When Russia Marches," says there is "nothing to worry about" in regard to the anti-Communist pact of Japan, Germany, and Italy:

Nothing to worry about. Americans worry about two things: The so-called anti-Communist pact between Japan, Germany, and Italy; and the "Japanese menace," which visualizes an attack on our western coast.

The anti-Communist agreement is a "poverty pact" between three almost bankrupt nations—though the bankruptcy is well concealed—whose interests clash all over the world. All three, for example, are after a chance to exploit Africa. A fifth of Africa's imports already come from Japan. Germany wants that market; Italy doesn't like Japan's trade dominance in Ethiopia. So at the first test the pact is likely to fall apart. Japan is more interested in selling a million yards of cotton goods than she is in protecting Hitler and Mussolini from Bolsheviks under the bed.

Americans who fear a Japanese attack are being scared by imaginative people not quite conversant with the facts of life. If there is one impossible war on earth it is between America and Japan. Ask any military or naval expert. We simply haven't the ships, in the first place, to take an army across the Pacific; Japan cannot attack us without capturing Hawaii, which her own military strategists hold to be impossible. \* \* \* But it is profitless to labor the point.

The continual anti-American barrage kept up by Japanese newspapers is misunderstood, both in Japan and America. Its real purpose is to generate hatred and war fervor, for use as needed. It is directed now against us because we are the one nation that doesn't officially resent it. Japanese papers can hate us all they like, because in the first place we don't give a whoop and in the second place we believe in freedom of the press.

If the hate barrage were directed against a nation with a rigidly controlled press—Russia, for example—there would be a call for a show-down. So our role is to be a hate receiver until Japan is ready to direct the hate elsewhere.

So we haven't much stake in the Asian war that's coming; certainly nothing to fear from a war standpoint.

Meanwhile, up to the northward, the hammer and sickle boys develop iron, gold, coal, and oil fields in Asia's northeastern corner. They build new cities, start new industries, lay track, and spread concrete. They parallel the Trans-Siberian Railway with another line to the north, shoot out branches to two new ports on the Pacific, connect the two main lines with three north and south tracks. They drop tanks from planes and shoot armies through the air at 200 miles an hour. From Vladivostok their bombers fly just 650 miles out to sea and lay eggs—just in case a motor sampan might happen to see and carry the news to Tokyo.

The "Stop Japan" movement is more or less intense all over the world. But in the end its success hinges on just how good the untired Red Army of the Soviet turns out to be.

It is important to point out that during the past few days the talk of Italy being joined with Germany and Japan has evaporated. Why did not the chairman of the Senate Committee on Naval Affairs include Italy when he was discussing the possible combination of powers which would join in an attack on our hemisphere? Is it because Italy has negotiated a pact of friendship with Great Britain that she has been removed from the possibility of joining with the others? If this result may happen in one case, is it not logical to assume that a similar result may happen in the case of the other two powers without furnishing any rhyme or reason for this bill?

Let us examine the statement of Maj. Gen. Douglas MacArthur, formerly Chief of Staff of the United States Army, now field marshal of the Philippines. I am sure General MacArthur is well known to this body. His work as Chief of Staff has been praised on many occasions. Having occupied a position of responsibility for a number of years, surely he would be able to offer valuable testimony on the possibility of invasion.

In 1936 General MacArthur made a speech before the faculty and student body of the Command and General Staff School of the Philippine Commonwealth. He discussed the defense of the Philippines. What he had to say in regard to the islands is particularly appropriate to mention at this time when we are being asked to authorize the appropriation of more than a billion dollars for the Navy.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement of General MacArthur.

The PRESIDING OFFICER. Without objection, the statement may be printed in the RECORD.

The statement referred to is as follows:

#### DEFENSE OF THE PHILIPPINES

(Excerpts from a speech before the faculty and student body of the Command and General Staff School at Baguio, P. I., August 3, 1936, by Maj. Gen. Douglas MacArthur, U. S. Army, field marshal of the Philippines, as printed in the Army and Navy Journal, August 29, 1936.)

The basic military problem facing the Philippine Government is whether, with its present resources of population and wealth, it can develop a defensive force capable of withstanding a more powerfully armed opponent. Does the old boxing adage, so often quoted in athletic circles, "A good big man will always defeat a good little man," unfailingly apply in war? The answer is that the axiom would apply only if the two opponents should meet the issue of combat under practically identical conditions. If each could concentrate its entire army in the vital battle area, and if each were compelled to solve substantially similar problems of supply, transportation, reinforcement, and tactical operation, the larger army would always win. But, this equality of conditions never exists in warfare and war has therefore shown many startling reversals in which the apparently weaker opponent achieved victory. From the classic Biblical example of David and Goliath through the successful Revolutionary War which established American independence the history of the world is replete with illustrative examples.

In the case of the Philippines, it would be an impossibility for any potential enemy to bring to the Philippine area anything like a preponderant portion of his army. He would indeed have difficulty in concentrating into the vital area as large a force as the Philippine Army which would oppose him. Any conceivable expeditionary force might actually find itself outnumbered.

This country has the enormous defensive advantage of being an island group. Hundreds of miles of water separate it from any other land. The protective value of isolation has time and time again been demonstrated in military history. No other operation in warfare is so difficult as that of transporting, supplying, and protecting an army committed to an overseas expedition. The English Channel has been the predominant factor in the freedom from invasion enjoyed by the British Islands throughout their modern history of many wars. Although Europe has, time and again, seethed with supposedly invincible armies, of which at least two have made elaborate and definite preparations for the invasion of the Island Kingdom, never since modern armies have come into being with their enormous size and huge amounts of impedimenta, has Great Britain been compelled to drive off a land attack from its shores. The British Navy has, of course, been a powerful factor in sustaining this security. But in this dual combination of defenses, the ocean obstacle has been the first and more important, and the Navy has been the one to increase the effectiveness of the first.

The United States undoubtedly owes its existence as an independent Nation to the friendly Atlantic. The war of the Revolution would have most certainly resulted in ignominious defeat for the colonies had geography separated them from the mother country by a mere land frontier rather than by 3,000 miles of ocean. In the War of 1812 this factor again permitted the Colonies to withstand the forces of the mightiest empire then existing, and preserved the American Nation from resubmission to British control.

The threat to large surface ships residing in small fast torpedo boats supported by air detachments was recently indicated in the Mediterranean. It is significant that following the lesson there demonstrated, Great Britain, Germany, and other powers are following the Italian example in adding this particular weapon as an important category in defensive equipment.

It is a human trait to magnify the potentialities of an enemy and to underestimate one's own strength. Too often we are apt to take counsel of our own fears. In contemplating the defense of the Philippines we should visualize the enormous effort necessary to launch and prosecute a huge overseas campaign. The difficulties to be overcome by the aggressor in such a situation are not even dimly understood by the layman. Only those who have participated in or witnessed the extraordinary expenditure of energy and money required in such operations can appreciate the obstacles that invariably stand in the way of success. In the World War the United States had practically to change the entire course of its industrial activity in order to send to France the forces required there. Billions upon billions of dollars were poured into the venture and over 100,000,000 people devoted their full energy to its success. Yet, in spite of the fact that its expeditionary forces were despatched to permanent ports and bases that were in the firm possession of American allies, and no tactical operations of any kind were required in order to establish it ashore, more than a year elapsed before the American Army could place a single complete division on the battle front.

The amount of shipping that must be withdrawn from commercial activity and transformed into vessels suitable for troop transportation is so great as to present, in itself, a major problem, even to a power rich in maritime resources. To transport 300,000



men with essential equipment and supplies for only 30 days requires approximately 1,500,000 tons of shipping. The greatest total maritime tonnage of any nation operating in the Pacific Ocean is but 4,700,000 tons. These figures give only a faint indication of the serious logistical problems that must be solved whenever an overseas expedition is proposed.

Of all military operations, the one which the soldier dreads the most is a forced landing on a hostile shore. It is at that time he is at his weakest, the enemy at his strongest. His transport frequently arrives at the end of an unpleasant voyage. Crowded accommodations and generally unpleasant conditions have not tended to improve his morale. At the critical moment his ships are forced to come to a standstill in order to undertake the debarkation of the attackers in small boats. At this time—motionless targets, they are subjected to an intensive attack from fast-moving torpedo boats and even faster whirling bombers of the air. Each small boat, with only a fraction of men, has to make its way in through a pitiless fire of artillery, machine guns, and musketry—a fire of deadly accuracy because delivered from prepared and protected positions. Yet through this veritable holocaust his small unprotected boat with no means of effective response to the enemy fire must reach the shore, perhaps through a dangerous surf, to discharge its occupants in an attempt to build up a firing line to overcome an emplaced enemy. Subject to desperate counterattack on the beach, perhaps engulfed in poisonous waves of gas, deprived of the inspirational presence of great masses of his comrades, he has always the feeling that goes with a forlorn hope. Lucky indeed the command that can achieve success on such a day and in such a way.

The outstanding World War example of an overseas operation accompanied by landing against a defended shore was the allied operation at Gallipoli. In the initial stages of that abortive campaign the Gallipoli Peninsula was very inadequately defended and the early naval bombardments encountered only antiquated forts. While it is true that the land attacks were poorly coordinated and failed to achieve the element of surprise because of the warning given the defenders through naval bombardments, still errors of omission and commission of this type are invariably characteristic of attempted landings against defended beaches. The complete failure of the allied attack is a matter of history. The only point in mentioning it here is to remark that it emphasized again for all students of warfare the tremendous difficulties attendant upon overseas operations and to indicate the degree of reluctance with which any general staff would commit a major portion of its army to a venture of this character.

In contemplating such an attack any government would have an additional cause for hesitation. This is the tendency of wars to spread and draw into the maelstrom of battle nations that originally had no apparent cause for participating in the quarrel. The World War illustrated this tendency with particular emphasis. Any government that should prepare and send overseas a force of sufficient strength to attack the Philippines would have to consider carefully the possibility of any other potential enemy taking advantage of the situation and entering the contest at a time when the aggressor was seriously committed and possibly even embarrassed in the Philippines.

In the face of this wealth of facts and lessons favoring the defensive potentialities of an island empire, the query naturally arises as to why there should be any serious question as to the ability of the Filipinos to defend themselves with reasonable effectiveness. The answer again is a very simple one. It is because the United States has never stationed in this American possession a sufficient force to defend the islands against land attack. Since the end of insurrection days the American Army, including its Filipino contingent, has averaged about 10,000 men. With defending forces represented by this pitifully small garrison and with the broad Pacific lying between them and their nearest supporting troops, it was appreciated by all that the Philippines could not be held against strong surprise land attack. This fact was thoroughly understood by the professional soldier and sailor who repeatedly protested and complained "The Philippines cannot be successfully defended with its present garrison." By the layman, however, the modifying phrase was ignored and it was translated into the slogan "The Philippines cannot be successfully defended," and this shibboleth finally attained the dignity of an expression of popular opinion. No conclusion could be more false. An adequate garrison can defend the Philippines for as long as available supplies and provisions will sustain the Army and its supporting population. Considering the productivity of these islands in the matter of food, this period of feasible defense will undoubtedly extend, once the necessary training has been accomplished and the necessary equipment accumulated, far beyond the capacity of any attacker to maintain a large expeditionary force in these territorial waters.

The defensive possibility in the islands is not entirely an academic question. The Philippine Insurrection of almost 40 years ago gave us a valuable lesson along this line. In that campaign a poorly equipped and loosely organized force of irregulars, which probably never exceeded 20,000 in its total strength, compelled the American Government, with its bases thoroughly established here and with complete command of the ocean, to support large forces here engaged in bitter field campaign for a period of several years—forces which at one time numbered almost 100,000 men. Had the Filipino Army been properly organized and adequately equipped,

the resources in men and money expended by the American Government would have been multiplied manifold.

Another great advantage accrues to an army when it serves a government whose military policy is purely and passively defensive such as it is here. Under such conditions the army as a whole and in each of its parts is not diverted by extraneous objectives and missions but rather is permitted to concentrate its full attention on one specific problem in one specific area. Each unit of the defending army may then, in any future war, operate on a battlefield thoroughly known to its officers and men—on a battlefield in which every part has been thoroughly prepared with the single purpose of preventing penetration by the enemy. The relative advantage enjoyed by a force occupying ground deliberately selected and organized, for defense was proven by World War experience to be represented in a numerical advantage of some 4 or 5 to 1.

Defeatists ask how, within the 10 years' military budget of \$80,000,000, can a sufficient force be equipped including an air component and an offshore patrol of torpedo boats. Planes cost \$30,000 each, boats \$35,000. The 10-year budget provides ten million for the air component, five million for the offshore patrol. To complete the fiscal analysis in broad outline, thirty millions go to the Regular force and thirty-five millions to the Reserves. With this latter personnel serving as a civic duty, practically without professional remuneration, a large and adequate part of this latter sum is available for military supply and equipment. Parenthetically, the yearly defense budget amounts to about 22 percent of the estimated annual governmental income, much less than in most countries.

Mr. JOHNSON of Colorado. Mr. President, the only justification for the huge increase proposed in the pending bill must be that it is needed for offensive purposes. There is reason to doubt today the wisdom of the old slogan, "Offense is the best defense." The development of the defense in recent years has tended far to outweigh the old-time advantage of the offense, as is exemplified in the case of Spain and China.

It is especially true that defense has tremendous advantage when the United States is considered. Congress is appropriating over \$1,000,000,000 this year for regular military and naval needs. We have approved similar expenditures for the past several years. With such enormous expenditures, the defensive position of the United States has been greatly enhanced. If it has not, there is no reason for this authorization bill. Under such circumstances we would be throwing more good money down the drain. Certainly no Senator will say that the billions of dollars we have appropriated in the past few years have not increased our defensive strength.

Inasmuch as our country is in no danger of attack, and inasmuch as we have enormous defensive advantages with our present military and naval program, the bill cannot be justified except on the basis of giving the American people a fleet with which to go overseas and fight a war thousands of miles from our shores. This doctrine has been completely repudiated by the American people. Our World War experience should be a lesson to us.

#### DISTRICT OF COLUMBIA TAXATION

Mr. KING. Mr. President, I have conferred with the chairman of the Committee on Naval Affairs, the distinguished Senator from Massachusetts [Mr. WALSH], and he has generously consented that I may move to lay aside temporarily the naval expansion bill and proceed to the consideration of House bill 10066.

I now move that the Senate proceed to the consideration of House bill 10066.

The PRESIDING OFFICER. Without objection, the unfinished business is temporarily laid aside; and the question is on the motion of the Senator from Utah.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 10066) to amend the District of Columbia Revenue Act of 1937, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments.

Mr. KING. Mr. President, I shall not consume the time of the Senate in a discussion of the bill. It is important that it be enacted into law as early a date as possible, in order that the required tax notices be issued, and all preliminary steps taken looking to the levying and collection of the tax provided in the bill.

The bill was reported to the Senate by the Committee on the District of Columbia on the 18th instant. The report contains an explanation of the various sections and provisions of the bill. I request that the report be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The report (No. 1612) is as follows:

Mr. KING, from the Committee on the District of Columbia, submitted the following report (to accompany H. R. 10066):

The Committee on the District of Columbia, to whom was referred the bill H. R. 10066, to amend the District of Columbia Revenue Act of 1937, and for other purposes, having considered the same, report the bill with amendments, and recommend that the bill do pass with amendments.

The bill is divided into eight sections, the first five sections, together with section 7, amends the District of Columbia Revenue Act of 1937; section 6 imposes a business privilege tax similar to the business privilege tax imposed for the fiscal year 1937-38 with certain changes. Section 8 adds three new titles to the Revenue Act of 1937. Sections 1, 2, 3, 4, 5, and 7 contain amendments to existing law which in most instances are purely administrative in character.

#### DEFICIT

Under the provisions of the act of Congress approved August 17, 1937, entitled "An act to provide additional revenue for the District of Columbia, and for other purposes," the 25-cent increase in the rate on real estate and tangible personal property (raising the rate from \$1.50 to \$1.75) expires on June 30, 1938, as does the tax of two-fifths of 1 percent of gross receipts of businesses and professions in excess of \$2,000 for the privilege of doing business in the District of Columbia.

It will be necessary to continue or replace these taxes in the fiscal year 1939 in order that the District of Columbia may have sufficient revenues to meet the payment of expenses under appropriations already made by Congress for that year. These appropriations total \$47,255,155, of which amount the sum of \$5,723,590 is payable from the special fund for highways, and \$2,191,220 from the water fund, leaving \$39,340,345 to be paid from the general fund of the District. It is in this latter fund that there exists the need for additional taxes to meet the prospective deficit in that fund.

In addition to the above \$39,340,345, other appropriation charges against the general fund of the District must be provided for in the fiscal year 1939, including one-half of the appropriations for Freedmen's Hospital, 60 percent of the appropriations for the District Court of the United States for the District of Columbia, 30 percent of the appropriations for the United States Court of Appeals, and estimated supplemental and deficiency appropriations, these several items being estimated to amount to \$930,636. There must also be provided for the further sum of \$1,769,102, being the present computed revenue deficit in the general fund of the District of Columbia at the close of the fiscal year 1938, on June 30 next.

Bringing all these items together makes a total of \$42,040,083 as the general fund appropriation charge in the fiscal year 1939, to meet which—without legislation providing for additional taxes—only \$37,725,000 is estimated as available. This therefore leaves a revenue deficit in the general fund in the fiscal year 1939 of \$4,315,083, which must be supplied by additional taxation. Should Congress appropriate further funds for relief in the District of Columbia, before or after the investigation into the subject authorized by the District Appropriation Act for next year, such amount would necessarily increase the foregoing revenue deficit of \$4,315,083. Moreover, any new legislation passed by Congress imposing additional financial obligations on the District would increase the deficit.

The bill as introduced in the House was estimated to raise \$5,200,000 made up of \$3,000,000 from the increase of 25 cents in the tax rate on real estate and tangible personal property (\$1.50 to \$1.75, which is limited to the fiscal years 1938-39, title VII); \$200,000 from the tax of 50 cents a barrel on beer (title XII), and \$2,000,000 from the tax on incomes.

The House rejected the tax on incomes and the bill passed the House without provision being made for needed revenues. As the bill came to the Senate it was \$2,000,000 short of the necessary revenue to meet the requirements of the District of Columbia for the next fiscal year. To meet such shortage in the revenue the bill as amended by the Senate and herewith reported reenacts the present business privilege-tax law (title VI, District of Columbia Revenue Act of 1937), so that the bill as amended provides the following additional revenue: \$3,000,000 from an increase of 25 cents in the tax rate on real and tangible personal property, \$200,000, from a tax of 50 cents a barrel on beer, and \$2,000,000 from a business-privilege tax, or a total of \$5,200,000.

While it would appear that the taxes proposed by the bill will raise approximately \$900,000 more than appears necessary, as compared with the estimated revenue deficit of \$4,315,000, it should be borne in mind that additional relief appropriations may consume this difference. Moreover, should there be any excess revenue collected in the next fiscal year it would be available in the fiscal year 1940 for disposition as provided in the act of June 29, 1922, namely: Such excess shall be available the succeeding year, in the discretion of the Commissioners, either for the purpose of meeting the ex-

pense chargeable to the District of Columbia and/or for the further purpose of enabling the Commissioners to fix a lower rate of taxation for the year following the one in which said excess accrued than they might otherwise be able to do.

#### SECTION 1

Section 1 of the bill relates to title I of the act.

Paragraph (a) of section 1 of the bill amends section 1 of title I of the act, by authorizing the examination by the assessor of the books, etc., of any person bearing upon matters required to be included in any return of personal property for taxation purposes; and making a refusal of any person to permit such examination a misdemeanor and punishable by a fine of \$300.

Paragraph (b) of section 1 of the bill amends section 8 of title I of the act by changing the period of limitation for proceedings to collect personal property taxes from 5 years, in some instances, and 6 years in other instances, to 3 years after taxes have been assessed.

Paragraph (c) of section 1 of the bill amends title I of the act by adding thereto new sections 10, 11, and 12. Such new section 10 makes the refusal to file a return of personal property for taxation purposes a misdemeanor and punishable by a fine of \$300. New section 11 defines the word "person." New section 12 provides for the secrecy and publication under certain conditions of the returns required to be filed under title I of the act.

#### SECTION 2

Section 2 of the bill relates to title II of the act.

It amends section 6 of title II of the act by including companies which issue annuity contracts within its provisions.

#### SECTION 3

Section 3 amends title III of the act in two respects: First, by striking out in the definition of "highways" the words "protective structures in connection with highways" and substituting in lieu thereof "retaining walls necessary to support or protect the highway"; and second, by adding a definition of the term "improvement."

#### SECTION 4

Section 4 of the bill relates to title IV of the act.

Paragraph (a) of section 4 of the bill amends paragraph (c) of section 2 of title IV of the act so as to permit the registration of vehicles effective as of March 1 of each year; and the renewal of registration during the months of January and February of each year; and making it lawful during the month of February of each year to operate a vehicle registered for the ensuing year commencing March 1, following.

Paragraph (b) of section 4 of the bill amends paragraph (d) of section 2 of title IV of the act so as to provide that upon the death of a joint owner of a motor vehicle registered under title IV, the registration may be transferred to the survivor upon the payment of a fee of \$1.

Paragraph (c) of section 4 of the bill amends section 3 of title IV of the act by providing that with respect of trailers, instead of the minimum registration fee of \$20, the registration fees for trailers shall be as follows: When the weight is not more than 500 pounds, \$5; more than 500 pounds and not more than 1,250 pounds, \$10; more than 1,250 pounds and not more than 2,000 pounds, \$15; and more than 2,000 pounds and not more than 4,000 pounds, \$20; etc. Section 3 of title VI of the act is further amended so as to provide that when the application for registration of any motor vehicle is received by the Director on or after September 1, the registration fee for such vehicle for the registration year shall be one-half the amount provided for the class in which the vehicle falls.

#### SECTION 5

Section 5 of the bill relates to title V of the act.

Paragraph (a) of section 5 of the bill amends section 1 of title V of the act by adding thereto new subsections (j) and (k). Subsection (j) provides, in general, that a transfer by the exercise of a general power of appointment shall be taxable as though the property transferred belonged to the donee of the power. Subsection (k) provides that the doctrine of equitable conversion shall not be invoked in the assessment of taxes under title V of the act.

Paragraph (b) of section 5 of the bill amends section 3 of title V of the act by providing that the lien for taxes provided in section 3 shall not attach to property sold or disposed of for value by the personal representative but shall attach on all property acquired in substitution for such property sold or disposed of for value.

Paragraph (c) of section 5 amends section 7 of title V of the act and provides that persons who receive property not under the control of a personal representative shall report such property to the assessor within 6 months after the death of the decedent, instead of within 60 days after the death of the decedent as provided for in section 7, as originally enacted. The amendment further provides that the taxes on such property may be paid within 9 months, instead of 6 months after the death of the decedent as provided in section 7, as originally enacted. Section 7 of title V is further amended by providing that with respect of real estate passing by will or by inheritance, the report by the recipient may be made within 15 months, and the tax paid within 18 months after the death of the decedent.

Paragraph (d) of section 5 of the bill amends section 10 of title V of the act by changing the time at which taxes upon future estates are imposed. As originally enacted, section 10 of title V provided that with respect of future estates and interests,



the tax should not be imposed until the recipient came into possession and shall be based upon the value of the property at that time. Section 10 of title V, as amended, provides for the assessment and payment of the tax upon future estates and interests and the valuation of property at the same time and in the same manner as taxes are imposed with respect of other estates; that is to say, the value of the estate or interest is to be determined as of the time of the death of the decedent, and the tax is to be paid within 18 months after the death of the decedent, except in the case of a contingent future interest.

Paragraph (e) of section 5 of the bill amends section 13 of title V by reducing the penalty for failure to file a return required by title V from 25 percent to 10 percent of the tax found to be due.

Paragraph (f) of section 5 of the bill amends section 16 of title V of the act by providing that with respect of assets found in a safe-deposit box standing in the joint names of a decedent and a survivor that such assets may be delivered by the lessor of the safe-deposit box to the survivor after an examination has been made of the contents of such safe-deposit box by the assessor without any liability on the part of the lessor for the payment of the tax.

Paragraph (g) of section 5 of the bill amends title V of the act by adding thereto two new sections, namely, sections 26 and 27. New section 26 of title V requires the Bureau of Internal Revenue of the Treasury Department to supply to the Commissioners information relative to any person subject to taxes imposed by title V or relative to any person whose estate is subject to the provisions of title V. New section 27 provides for the imposition of an estate tax upon the tangible property of nonresidents situated in the District of Columbia at the time of the death of the nonresident.

#### SECTION 6

Section 6 of the bill relates to title VI, tax on privilege of doing business. The so-called business privilege tax enacted at the last session of Congress, and which will expire by its own limitations on June 30, 1938, provided for a tax on the privilege of doing business within the District of Columbia at the rate of two-fifths of 1 percent on all gross receipts in excess of \$2,000 during the calendar year of 1936. It was provided that no tax would be imposed upon any business the gross receipts of which were less than \$2,000 for such calendar year. It was further provided that every business conducted within the District of Columbia should be required to secure a license therefor, the fee for such license being fixed at \$10, but business with gross receipts less than \$2,000 was exempted from the payment of such license fee. The present law provides that taxpayers may deduct the amount of the tangible personal property tax paid by them during the fiscal year 1937-38 from the amount of tax otherwise due.

The law as it now stands has some inequalities, and for that reason section 6 as reported contains material changes, although the basic concept of the business privilege tax remains the same.

The principal changes in the business privilege tax are as follows:

(a) Section 5 of title VI of the present law requires every person engaged in business in the District of Columbia to pay to the collector of taxes a sum equal to two-fifths of 1 percent of his gross receipts in excess of \$2,000 derived from such business. In many cases where the margin of profit was small and the turn-over great, two-fifths of 1 percent of the gross receipts equaled, or nearly equaled, the net profit derived from such business. Section 5 in this bill attempts to relieve that condition by requiring a tax of one-tenth of 1 percent where the spread or difference does not exceed 3 percent of the cost of the goods sold. In the present bill the tax is graduated from one-tenth of 1 percent to four-tenths of 1 percent. As has been stated, where the spread or difference between the cost of goods sold and the sale price does not exceed 3 percent, the tax is one-tenth of 1 percent of the dealer's gross receipts. Where such spread or difference exceeds 3 but does not exceed 6 percent, two-tenths of 1 percent of the gross receipts, and where such spread or difference exceeds 6 percent but does not exceed 9 percent, three-tenths of 1 percent of the gross receipts, and, finally, where such spread or difference exceeds 9 percent, four-tenths of 1 percent of the gross receipts.

(b) The term "business" will include the carrying on or exercising for gain or economic benefit, any trade, business, profession, vocation, or commercial activity in any commerce whatsoever in the District of Columbia. Some contention has been made that the existing law is not specific enough to tax the gross receipts from operations in interstate commerce. This contention is not sound, as it was intended under existing law to tax such receipts. To remove any erroneous impression as to this question the present law has been specifically amended to include such receipts. This action is merely declaratory of existing law and is not to be construed as changing the legal effect of existing law but as merely continuing existing law in this respect.

(c) The taxpayers may deduct any credits included by them in a prior return of gross receipts which the taxpayer failed to collect during the period since the filing of the return in which the credit was included. Of course if the credit is subsequently collected the taxpayer will be required to make proper return thereof.

(d) No license shall be issued or renewed if the taxpayer failed or refused to pay any business privilege tax or installment thereof, with penalties. Provision is made to relieve in harsh cases, however, where the Commissioners find for good cause shown that the taxpayer should be granted such relief.

(e) In the District of Columbia Revenue Act of 1937, title VI, section 3, no license fee was charged any person where such per-

son certified under oath that his gross receipt during the year immediately preceding his application was not more than \$2,000. Nearly 10,000 free licenses were issued as a result of this provision in the law. In the present bill the exemption of \$2,000 has been reduced to \$1,000, which provision, if enacted into law, will provide the District with \$100,000 additional income in license fees alone. By reason of this change more persons will be required to pay taxes, since under the present bill the exempted sum is \$1,000 less than the amount of exemption allowed in the present law.

#### SECTION 7

Section 7 of the bill relates to title VII of the act, and amends title VII of the act in the following respects, namely:

(a) By extending to June 30, 1939, the provision requiring that the rate of taxation on real and tangible personal property shall not be less than 1.75 percent of the assessed value of such property.

(b) By extending until June 30, 1939, the authority in the Secretary of the Treasury to advance to the District of Columbia sums necessary from time to time to meet the general expenses of the District; and

(c) To provide that it shall be unlawful for the Commissioners or any person having an administrative duty under title VII to divulge or make known any information obtained from the Bureau of Internal Revenue in accordance with the provisions of the act.

#### SECTION 8

Section 8 of the bill amends the act by adding thereto three new titles, as follows:

Title IX. Tax Appeals.

Title X. Repeal of Provision for Federal Contribution.

Title XI. Tax on Beer.

#### TITLE IX. TAX APPEALS

Title IX establishes a board of tax appeals to be known as the Board of Tax Appeals for the District of Columbia. Under existing law the right of appeal from the imposition of taxes does not exist in many instances, and in the few cases where it does exist, it is regarded as inadequate to meet the end of justice. In the matter of real-estate taxes, an appeal from an assessment made by the assessor's office is to a board of equalization and review, composed of the assessor and assistant assessor. Substantially the same procedure is followed with respect of personal-property taxes. In the statute imposing inheritance and estate taxes there is an appeal to the Board of Personal Tax Appeals, consisting of the assessor and assistant assessors, none of whom are attorneys or trained in the law of inheritance and estate taxes. If the business-privilege-tax law is reenacted, the need for a board of tax appeals will increase.

The Board will consist of one member who shall be an attorney, and the salary is fixed at \$7,500 per annum.

Any person aggrieved at an assessment shall within the time prescribed in the title appeal to the Board, and from the Board direct to the United States Court of Appeals for the District of Columbia. If the Board is established, a great deal of time will be saved in the disposition of tax appeals, a certain and practical method of appeal is afforded taxpayers, and the payment of taxes will be substantially increased.

Appeal from the imposition of all taxes, except special assessments for improvements, is covered by title IX.

With respect of special assessments for improvements, it is the opinion of the Commissioners of the District of Columbia that appeals in such instances should be had in a manner different than appeals from impositions of other taxes because of the peculiar nature of special assessments for improvements. A plan of procedure in such cases has been worked out by the Commissioners and a committee of citizens of the District of Columbia, which is embodied in a proposed bill submitted to Congress by the Commissioners of the District of Columbia.

#### TITLE X. REPEAL OF PROVISIONS FOR FEDERAL CONTRIBUTION

Title X repeals that portion of the act of June 29, 1922, providing for Federal contribution of 40 percent of the annual expenses of the District of Columbia and the participation by the United States to the same extent in the miscellaneous revenues of the District of Columbia. The act of June 29, 1922, provided; among other things, that on and after July 1, 1922, the expenses of the District of Columbia should be divided between the United States, and the District of Columbia, respectively, 40 percent and 60 percent. This proportionate arrangement thereby became permanent law.

In consideration of the United States assuming 40 percent of the expense of the District, it was further provided by the said act that on and after July 1, 1922, certain miscellaneous revenues collected by the District each year, other than taxes, should be deposited in the Treasury partly to the credit of the United States and partly to the credit of the District, the part in each case being dependent upon the proportion of the appropriations each year as paid by each.

For example, in the fiscal year, 1923, the amount credited to the United States amounted to \$902,077, and in the fiscal year 1924, \$860,127.

However, beginning with the fiscal year 1925, Congress abandoned the 60-40 ratio of appropriations for the District and has substituted each year since in lieu thereof a lump-sum amount as the Federal Government's part of the cost of the District government. In the enacting clause of each District appropriation act, commencing with 1925, appears language under which the District



receives credit for the full amount of these miscellaneous revenue collections, this being necessary to overcome the permanent law in the act of June 29, 1922, requiring these collections to be divided between the United States and the District. In other words, when Congress departed from the observance of that part of the act of June 29, 1922, providing for the payment of appropriations on a 60-40 basis, by the substitution of a lump sum each year, it also departed from that part of the said act requiring certain miscellaneous revenues to be divided between the two governments by including in each annual appropriation act of the District language under which the District received credit for the entire collections of these miscellaneous revenues.

It is proposed by title XI of the bill to repeal those portions of the act of June 29, 1922, that fix a percentage ratio of 60-40 as the basis for appropriating for the expenses of the District of Columbia and for the division of the miscellaneous revenues between the District of Columbia and the United States, in the same ratio. The repeal of such portions of the act of June 29, 1922, will obviate the necessity of continuing the practice of carrying a saving clause in the annual appropriation acts of the District of Columbia.

#### TITLE XI. TAX ON BEER

Title XI, imposes a tax of 50 cents a barrel on beer sold in the District of Columbia. At the present time there is no tax upon beer in the District of Columbia, although a similar tax is imposed in most every State of the Union, and a substantial amount of revenue is raised thereby.

It is estimated that a tax of 50 cents a barrel on beer sold in the District of Columbia will raise additional revenue amounting to \$200,000.

Mr. KING. I ask unanimous consent that the formal reading of the bill be dispensed with, and that it be read for amendment, the amendments of the committee to be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the first amendment of the committee.

The first amendment of the Committee on the District of Columbia was, on page 20, after line 18, to strike out:

SEC. 6. On and after July 1, 1938, the provisions of title VI of such act shall remain effective for the purposes following:

- (1) To authorize the collection of all taxes assessed under such title and enforcement of all tax liability imposed thereby;
- (2) To authorize the imposition of all penalties for the violation of or the failure or refusal to comply with the provisions of such title or the regulations of the Commissioners for the administration and enforcement of the provisions thereof as in such title provided; and
- (3) To require the making, filing, or submission of all returns or reports required by the provisions of such title.

The amendment was agreed to.

The next amendment was, on page 21, after line 7, to insert:

SEC. 6. Title VI of such act is amended to read as follows:

#### "TITLE VI—TAX ON PRIVILEGE OF DOING BUSINESS

"SEC. 1. Where used in this title—

"(a) The term 'person' includes any individual, firm, copartnership, joint adventure, association, corporation (domestic or foreign), trust, estate, receiver, or any other group or combination, acting as a unit; and all bus lines, truck lines, radio communication lines or networks, telegraph lines, telephone lines, or any instrumentality of commerce, but shall not include railroads, railroad express companies, steamship companies, and air transportation lines.

"(b) The term 'District' means the District of Columbia.

"(c) The term 'taxpayer' means any person liable for any tax hereunder.

"(d) The term 'Commissioners' means the Commissioners of the District or their duly authorized representative or representatives.

"(e) The term 'business' shall include the carrying on or exercising for gain or economic benefit, either direct or indirect, any trade, business, profession, vocation, or commercial activity including rental of real estate and rental of real and personal property, in any commerce whatsoever in the District, in or on privately owned property and in or on property owned by the United States Government, or by the District, not including, however, labor or services rendered by any individual as an employee for wages, salary, or commission.

"The term 'business' shall not include the usual activities of boards of trade, chambers of commerce, trade associations or unions, or other associations performing the services usually performed by trade associations and unions, community chest funds or foundations, corporations, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, or clubs or fraternal organizations operated exclusively for social, literary, educational, or fraternal purposes, where no part of the net earnings or income or receipts from such units, groups, or associations inures to any private shareholder or individual, and no substantial part of the activities of which is carried on for propaganda or

attempting to influence legislation: *Provided, however,* That if any such units, groups, or associations shall engage in activities other than the activities in which such units, groups, or associations usually engage, such activities shall be included in the term 'business'. *Provided further,* That activities conducted for gain or profit by any educational institution, hospital, or any other institution mentioned in this subparagraph, are included in the term 'business'.

"(f) The term 'gross receipts' means the gross receipts received from any business in the District, including cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials, labor, or services, or other costs, interest or discount paid, or any expense whatsoever: *Provided,* That any credits included by a taxpayer in a prior return of gross receipts which shall not have been collected during the period since the filing of the return in which the credit was included may be deducted from the gross receipts covered by the subsequent return: *Provided, however,* That if such credit shall be collected during a succeeding taxable period, such item shall be included in the return of gross receipts for such succeeding taxable period: *Provided further,* That the term 'gross receipts' when used in connection with or in respect to financial transactions involving the sale of notes, stocks, bonds, and other securities, or the loan, collection, or advance of money, or the discounting of notes, bills, or other evidences of debt, shall be deemed to mean the gross interest, discount or commission, or other gross income earned by means of or resulting from said financial transactions: *Provided further,* That in connection with commission merchants, attorney or other agents, the term 'gross receipts' shall be deemed to mean the gross amount of such commissions or gross fees received by them, and as to stock and bond brokers, the term 'gross receipts' shall be deemed to mean gross amount of commissions or gross fees received, the gross trading profit on securities bought and sold, and the gross interest income on marginal accounts from business done or arising in the District: *Provided further,* That with respect to contractors the term 'gross receipts' shall mean their total receipts, less money paid by them to subcontractors for work and labor performed and material furnished by such subcontractors in connection with such work and labor.

"(g) The term 'fiscal year' means the year beginning on the 1st day of July and ending on the 30th day of June following:

"(h) The term 'original license' shall mean the first license issued to any person for any single place of business and the term 'renewal license' shall mean any subsequent license issued to the same person for the same place of business.

"Sec. 2. (a) No person shall engage in or carry on any business in the District without having a license required by this title so to do from the Commissioners, except that no license shall be required of any person selling newspapers, magazines, and periodicals, whose sales are not made from a fixed location and which sales do not exceed the annual sum of \$1,000.

"(b) All licenses issued under this title shall be in effect for the duration of the fiscal year in which issued, unless revoked as herein provided, and shall expire at midnight of the 30th day of June of each year. No license may be transferred to any other person.

"(c) All licenses granted under this title must be conspicuously posted on the premises of the licensee and said license shall be accessible at all times for inspection by the police or other officers duly authorized to make such inspection. Licensees having no located place of business shall exhibit their licenses when requested to do so by any of the officers above named.

"(d) Licenses shall be good only for the location designated thereon, except in the case of licenses issued hereunder for businesses which in their nature are carried on at large and not at a fixed place of business. No license shall be issued for more than one place of business without a payment of a separate fee for each, except where a taxpayer is engaged in the business of renting real estate.

"(e) Any person not having an office or place of business in the District but who does or transacts business in the District by or through an employee or agent, shall procure the license provided by this title. Said license shall be carried and exhibited by said employee or agent: *Provided, however,* That where said person does or transacts business in the District by or through two or more employees or agents, each such employee or agent shall carry either the license or a certificate from the Commissioners that the license has been obtained. Such certificates shall be in such form as the Commissioners shall determine and shall be furnished without charge by the Commissioners upon request. No employee or agent of a person not having an office or place of business within the District shall engage in or carry on any business in the District for or on behalf of such person unless such person shall have first obtained a license as provided by this title.

"(f) The Commissioners may, after hearing, revoke any license issued hereunder for failure of the licensee to file a return or corrected return within the time required by this title as originally enacted or amended or to pay any installment of tax when due thereunder.

"(g) Licenses shall be renewed for the ensuing fiscal year upon application as provided in section 3 of this title: *Provided,* That no license shall be renewed if the taxpayer has failed or refused to pay any tax or installment thereof or penalties thereon imposed by this title as originally enacted or as amended: *Provided, however,* That the Commissioners in their discretion for cause shown may,



on such terms and conditions as they may determine or prescribe, waive the provisions of this paragraph.

"Sec. 3. (a) Applications for license shall be upon a form prescribed and furnished by the Commissioners, and each application shall be accompanied by a fee of \$10: *Provided*, That no fee for the renewal of any license previously issued shall be required of any person if he shall certify under oath (1) that his gross receipts during the year immediately preceding his application, if he was engaged in business during all of such period of time, or (2) that his gross receipts as computed in section 5 of this title, if he was engaged in business for less than 1 year immediately preceding his application; were not more than \$1,000. Application for an original license may be made at any time. Application for a renewal license shall be made during the month of May immediately preceding the fiscal year for which it is desired that the license be renewed: *Provided*, That where an original license is issued to any person after the 1st day of May of any year, application for a renewal of such license for the ensuing fiscal year may be made at any time prior to the expiration of the fiscal year in which such original license was issued.

"(b) In the event of the failure of a licensee to apply for renewal of a license or licenses within the time prescribed herein, such licensee shall be required to pay for the renewal of each license the sum of \$5 in addition to the fees prescribed herein, and the license fee in no event shall be less than \$5 for each such renewal license.

"Sec. 4. (a) Every person subject to the provisions of this title, whose annual gross receipts during the preceding calendar year exceed \$1,000, shall, during the month of July of each year, furnish to the assessor, on a form prescribed by the Commissioners, a statement under oath showing the gross receipts of the taxpayer during the preceding calendar year, which return shall contain such other information as the Commissioners may deem necessary for the proper administration of this title. The burden of proof shall be upon the person claiming exemption from the requirement of filing a return to show that his gross annual receipts are not in excess of \$1,000.

"(b) The Commissioners, for the purpose of ascertaining the correctness of any return filed hereunder, or for the purpose of making a return where none has been made, are authorized to examine any books, papers, records, or memoranda bearing upon the matters required to be included in the return and may summon any person to appear and produce books, records, papers, or memoranda bearing upon the matters required to be included in the return, and to give testimony or answer interrogatories under oath respecting the same, and the Commissioners shall have power to administer oaths to such person or persons. Such summons may be served by any member of the Metropolitan Police Department. If any person having been personally summoned shall neglect or refuse to obey the summons issued as herein provided, then, and in that event, the Commissioners may report that fact to the District Court of the United States for the District of Columbia, or one of the justices thereof, and said court or any justice thereof hereby is empowered to compel obedience to such summons to the same extent as witnesses may be compelled to obey the subpoenas of that court.

"(c) The Commissioners are authorized and empowered to extend for cause shown the time for filing a return for a period not exceeding 30 days.

"Sec. 5. (a) For the privilege of engaging in business in the District during any fiscal year after June 30, 1938, each person so engaged shall pay to the collector of taxes a tax measured upon gross receipts in excess of \$1,000 derived from such business for the calendar year immediately preceding, as follows:

"1. That with respect to dealers in goods, wares, and merchandise, where the spread or difference between the cost of goods sold and the sale price does not exceed 3 percent of the cost of the goods sold, one-tenth of 1 percent of such dealers' gross receipts; where such spread or difference exceeds 3 but does not exceed 6 percent, two-tenths of 1 percent of such dealers' gross receipts; and where such spread or difference exceeds 6 percent but does not exceed 9 percent, three-tenths of 1 percent of such dealers' gross receipts; and where such spread or difference exceeds 9 percent, four-tenths of 1 percent of such dealers' gross receipts. The cost of such goods, wares, and merchandise sold shall be determined after considering the inventories both at the beginning and at the end of the period covered by the return and purchases made during such period, and such inventories shall be valued at cost or market, whichever is lower, and shall be in agreement with the inventories as reflected by the books of such dealers. The cost of goods, wares, and merchandise shall be the actual purchase price, including the prevailing freight rate to the dealer's place of business in the District. The burden of proving under which classification the taxpayer shall be taxed shall be upon the taxpayer, and, unless the taxpayer shall by proof satisfactory to the assessor show to the contrary, the spread or difference between the cost of goods, wares, and merchandise sold by the taxpayer and the selling price of such goods, wares, and merchandise shall be presumed to be in excess of 9 percent of the cost of the goods, wares, and merchandise sold, and the taxpayer shall be taxed accordingly.

"2. All persons, other than those mentioned in subparagraph (1) of this paragraph shall pay a tax equal to four-tenths of 1 percent of the gross receipts derived by such persons from such business.

"(b) If a taxpayer shall not have been engaged in business during the entire calendar year upon the gross receipts of which the tax imposed by this title is measured, he shall pay the tax im-

posed by this title measured by his gross receipts during the period of 1 year from the date when he became so engaged; and if such taxpayer shall not have been so engaged for an entire year prior to the beginning of the fiscal year for which the tax is imposed then the tax imposed shall be measured by his gross receipts during the period in which he was so engaged multiplied by a fraction, the numerator of which shall be 365 and the denominator of which shall be the number of days in which he was so engaged.

"(c) If a person liable for the tax during any year or portion of a year for which the tax is computed acquires the assets or franchises of or merges or consolidates his business with the business of any other person or persons, such person liable for the tax shall report, as his gross receipts by which the tax is to be measured, the gross receipts for such year of such other person or persons together with his own gross receipts during such year.

"Sec. 6. National banks and all other incorporated banks and trust companies, street railroad, gas, electric-lighting, and telephone companies, companies incorporated or otherwise, who guarantee the fidelity of any individual or individuals, such as bonding companies, companies who furnish abstracts of titles, savings banks, and building and loan associations which pay taxes under existing laws of the District upon gross receipts or gross earnings, and insurance companies which pay a tax upon premiums shall be exempt from the provisions of this title.

"Sec. 7. (a) The taxes imposed hereby shall be due on the 1st day of July of the fiscal year for which such taxes are assessed and may be paid, without penalty, to the collector of taxes of the District in equal semiannual installments in the months of October and April following. If either of said installments shall not be paid within the month when the same is due, said installment shall thereupon be in arrears and delinquent and there shall be added and collected to said tax a penalty of 1 percent per month upon the amount thereof for the period of such delinquency, and said installment with the penalties thereon shall constitute a delinquent tax.

"(b) Any tax on tangible personal property levied against and paid by the taxpayer to the District, within the time prescribed by law for the payment of such tax by the taxpayer, shall be allowed as a credit against the tax imposed by this title for the taxable year in which such tax on tangible personal property is paid.

"Sec. 8. If a return required by this title is not filed, or if a return when filed is incorrect or insufficient and the maker fails to file a corrected or sufficient return within 20 days after the same is required by notice from the assessor, the assessor shall determine the amount of tax due from such information as he may be able to obtain, and, if necessary, may estimate the tax on the basis of external indices such as number of employees of the person concerned, rentals paid by him, stock on hand, and other factors. The assessor shall give notice of such determination to the person liable for the tax. Such determination shall fix the tax, subject, however, to appeal as provided in sections 3 and 4 of title IX of this act.

"Sec. 9. Any person failing to file a return or corrected return within the time required by this title shall be subject to a penalty of 10 percent of the tax due for the first month of delay plus 5 percent of such tax for each additional month of delay or fraction thereof.

"Sec. 10. Any notice authorized or required under the provisions of this title may be given by mailing the same to the person for whom it is intended by mail addressed to such person at the address given in the return filed by him pursuant to the provisions of this title, or if no return has been filed then to his last-known address. The mailing of such notice shall be presumptive evidence of the receipt of the same by the person to whom addressed. Any period of time which must be determined under the provisions of this title by the giving of notice shall commence to run from the date of mailing such notice.

"Sec. 11. The taxes levied hereunder and penalties may be assessed by the assessor and collected by the collector of taxes of the District in the manner provided by law for the assessment and collection of taxes due the District on personal property in force at the time of such assessment and collection.

"Sec. 12. Any person engaging in or carrying on business without having a license so to do, or failing or refusing to file a sworn report as required herein, or to comply with any rule or regulation of the Commissioners for the administration and enforcement of the provisions of this title shall, upon conviction thereof, be fined not more than \$300 for each and every failure, refusal, or violation, and each and every day that such failure, refusal, or violation continues shall constitute a separate and distinct offense. All prosecutions under this title shall be brought in the police court of the District on information by the corporation counsel or his assistant in the name of the District.

"Sec. 13. The Bureau of Internal Revenue of the Treasury Department of the United States is authorized and required to supply such information as may be requested by the Commissioners relative to any person subject to the taxes imposed under this title.

"Sec. 14. Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for the Commissioners or any person having an administrative duty under this title to divulge or make known in any manner the receipts or any other information relating to the business of a taxpayer contained in any return required under this title. The persons charged with the custody of such returns shall not be required to produce any of them or evidence of anything contained in them in any action



or proceeding in any court, except on behalf of the United States or the District, or on behalf of any party to any action or proceeding under the provisions of this title, when the returns or facts shown thereby are directly involved in such action or proceeding, in either of which events the court may require the production of, and may admit in evidence, so much of such returns or of the facts shown thereby, as are pertinent to the action or proceeding and no more. Nothing herein shall be construed to prohibit the delivery to a taxpayer, or his duly authorized representative, of a certified copy of any return filed in connection with his tax, nor to prohibit the publication of statistics so classified as to prevent the identification of particular returns and the items thereof, or the inspection by the corporation counsel of the District, or any of his assistants, of the return of any taxpayer who shall bring action to set aside or review the tax based thereon, or against whom an action or proceeding has been instituted for the collection of a tax or penalty. Returns shall be preserved for 3 years and thereafter until the Commissioners order them to be destroyed. Any violation of the provisions of this section shall be subject to the punishment provided by section 12 of this title.

"Sec. 15. This title shall not be deemed to repeal or in any way affect any existing act or regulation under which taxes are now levied, or any license or license fees are now required.

"Sec. 16. Section 3 of this title shall be effective May 1, 1938. The remaining sections of this title shall be effective July 1, 1938.

"Sec. 17. Appropriations are hereby authorized for such additional personnel and expenses as may be necessary to carry out the provisions of this act.

"Sec. 18. The proper apportionment and allocation of gross receipts with respect to sources within and without the District may be determined by processes or formulas of general apportionment under rules and regulations prescribed by the Commissioners."

The amendment was agreed to.

The next amendment was, in section 7, on page 38, line 23, after the word "ninety", to strike out "days." and insert "days", so as to read:

SEC. 5. Except in accordance with proper judicial order or as otherwise provided by law, it shall be unlawful for the Commissioners or any person having an administrative duty under this title to divulge or make known in any manner any information obtained from the Bureau of Internal Revenue in accordance with any provisions of this act. Any violation of the provisions of this section shall subject the offender to a fine of \$300 or imprisonment for 90 days.

The amendment was agreed to.

The next amendment was, on page 38, after line 23, to insert:

SEC. 6. There is hereby authorized to be appropriated out of the revenues of the District of Columbia the sum of \$10,000, for the employment of professional and clerical services in connection with a survey and study of the entire tax structure of the District of Columbia, including taxes paid by public utilities, to be made under the direction of the Commissioners of the District of Columbia. Such sum shall be available for necessary expenses, and for personal services without regard to civil-service requirements, the Classification Act of 1923, as amended, or section 3709 of the Revised Statutes. A report of such survey, with recommendations, shall be made by the Commissioners to Congress not later than January 15, 1939.

The amendment was agreed to.

The next amendment was, on page 39, line 13, after "title X.", to strike out "title XI and title XII" and insert "and title XI"; so as to read:

SEC. 8. Such act is further amended by adding thereto the following new titles, to be known as title IX, title X, and title XI:

The amendment was agreed to.

The next amendment was, on page 40, after line 11, to strike out:

SEC. 2. The Commissioners, within 15 days after the approval of this act, shall appoint a Board of three persons, subject to removal by the Commissioners, to be called the "Board of Tax Appeals for the District of Columbia," each of the members of which shall be a citizen of the United States. Of the three persons first appointed as members of said Board, one shall be appointed for 2 years, one for 3 years, and one for 4 years, and thereafter all appointments shall be for the term of 4 years, except such appointments as may be made for the remainder of unexpired terms. Vacancies caused by death, resignation, or otherwise shall be filled by the Commissioners only for unexpired terms. Members shall be eligible for reappointment. Two members of said Board shall be attorneys and in active practice of law for at least 5 years next preceding their appointment, one of whom shall be the chairman of said Board to be designated by the Commissioners; and one member of said Board shall be a certified public accountant.

The salary of the chairman of the Board shall be \$8,000, and of each of the other members of the Board shall be \$7,000 per annum.

The Commissioners are authorized to employ such other personal services as may be necessary to carry out the provisions of this title and to provide for the expenses of the Board. The salaries of employees other than members of the Board shall be fixed in accordance with the Classification Act of 1923, as amended, but shall be appointed without regard to civil-service requirements. The Commissioners shall include in their annual estimates such amounts as may be required for the salaries and expenses herein authorized.

The amendment was agreed to.

The next amendment was, on page 41, after line 16, to strike out:

SEC. 3. Any person aggrieved by any assessment by the assessor of the District of Columbia against him of any tax or taxes, or penalties thereon (except income taxes, general and special real-estate taxes and assessments, and penalties and additions), may, within 90 days after notice of said assessment, appeal from such assessment to the Board, provided such person shall first pay such tax, together with penalties and interest due thereon, to the collector of taxes of the District of Columbia under protest in writing. The Board shall hear and determine all questions arising on said appeal and shall make separate findings of fact and conclusions of law, and shall render their decision thereon in writing. The Board may affirm, cancel, reduce, or increase such assessment.

The amendment was agreed to.

The next amendment was, on page 42, after line 5, to insert:

SEC. 2. The Commissioners, within 15 days after the approval of this act, shall appoint a board of one person, subject to removal by the Commissioners, to be called the "Board of Tax Appeals for the District of Columbia," which person shall be a citizen of the United States. Such person shall be appointed for a term of 4 years, except such appointment as may be made for the remainder of an unexpired term. Any vacancy caused by death, resignation, or otherwise shall be filled by the Commissioners only for an unexpired term. Such person shall be eligible for reappointment. Such person shall be an attorney and in active practice of law in the District for at least 5 years next preceding his appointment.

The salary of such person so appointed shall be \$7,500 per annum. The Commissioners are authorized to employ such other personal services as may be necessary to carry out the provisions of this title and to provide for the expenses of the Board. The salaries of employees other than the Board shall be fixed in accordance with the Classification Act of 1923, as amended, but such employees shall be appointed without regard to civil-service requirements. The Commissioners shall include in their annual estimates such amounts as may be required for the salaries and expenses herein authorized.

The amendment was agreed to.

The next amendment was, on page 43, after line 4, to insert:

SEC. 3. Any person aggrieved by any assessment by the District against him of any personal property, inheritance, estate, business privilege, gross receipt, gross earning, or insurance premiums tax or taxes, or penalties thereon, may, within 90 days after notice of such assessment, appeal from such assessment to the Board, provided such person shall first pay such tax, together with penalties and interest due thereon, to the collector of taxes of the District of Columbia under protest in writing. The mailing to the taxpayer of a statement of taxes due shall be considered notice of assessment with respect of such taxes. The Board shall hear and determine all questions arising on said appeal and shall make separate findings of fact and conclusions of law, and shall render his decision thereon in writing. The Board may affirm, cancel, reduce, or increase such assessment.

The amendment was agreed to.

The next amendment was, on page 43, line 22, after the word "District", to strike out "of Columbia"; and on page 44, line 16, after the word "by", to strike out "said" and insert "the", so as to read:

SEC. 4. (a) The decision of the Board may be reviewed by the court as hereinafter provided, if a petition for such review is filed by either the District or the taxpayer within 30 days after the decision is rendered. Such petition for review shall be filed with the Board, and shall be in such form as the Board by regulation shall provide. Upon such review the court shall have the power to affirm or, if the decision of the Board is not in accordance with law, to modify or reverse the decision of the Board, with or without remanding the case for hearing, as justice may require. The court shall have the exclusive jurisdiction to review the decisions of the Board, and the judgment of the court shall be final, except that it shall be subject to review by the Supreme Court of the United States upon certiorari in the manner provided in section 240 of the Judicial Code, as amended. The court is authorized to adopt rules for the filing of the record on review, the preparation of the record for review, and the conduct of the proceedings upon such review, and, until the adoption of such rules, the rules of the court relating to appeals in cases in equity, so far as



applicable, shall govern. The findings of fact by the Board shall have the same effect as a finding of fact by an equity court or a verdict of a jury.

The amendment was agreed to.

The next amendment was, on page 44, line 20, after the word "fee", to strike out "fixed by law to be" and insert "usually"; in line 22, after the word "comparing", to strike out the comma and "or for preparing and comparing the transcript of record. The Board is authorized" and insert "and preparing the transcript of record, and"; on page 45, line 1, after the words "documents and", to strike out "papers and the fees" and insert "papers. The fees and charges"; and in line 3, after the word "District", to strike out "of Columbia", so as to read:

(b) The Board is authorized to fix a fee, not in excess of the fee usually charged and collected therefor by the clerk of the District Court of the United States for the District of Columbia, for comparing and preparing the transcript of record, and to fix charges for supplying copies of testimony or copies of other documents and papers. The fees and charges so fixed shall be paid to the collector of taxes of the District and deposited in the Treasury of the United States to the credit of the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 45, line 24, after the word "District", to strike out "of Columbia"; and on page 46, line 2, after the word "so", to strike out "directed" and insert "corrected", so as to read:

(d) If the Supreme Court directs that the decision of the Board be modified or reversed, the decision of the Board rendered in accordance with the mandate of the Supreme Court shall become final upon the expiration of 30 days from the time it was rendered unless within such 30 days either the District or the taxpayer has instituted proceedings to have such decision corrected to accord with the mandate, in which event the decision of the Board shall become final when so corrected.

The amendment was agreed to.

The next amendment was, on page 46, line 12, after the word "District", to strike out "of Columbia", so as to read:

(e) If the decision of the Board is modified or reversed by the court and if (1) the time allowed for filing a petition for certiorari has expired and no such petition has been filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the decision of the Board rendered in accordance with the mandate of the Court shall become final upon the expiration of 30 days from the time such decision of the Board was rendered, unless within such 30 days either the District or the taxpayer has instituted proceedings to have such decision corrected so that it will accord with the mandate, in which event the decision of the Board shall become final when so corrected.

The amendment was agreed to.

The next amendment was, on page 46, line 22, after the word "the" where it occurs the first time, to strike out "Board" and insert "Court", so as to read:

(f) If the Supreme Court orders a rehearing, or if the case is remanded by the Court for rehearing and if (1) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed; or (2) the petition for certiorari has been denied; or (3) the decision of the Court has been affirmed by the Supreme Court, then the decision of the Board rendered upon such rehearing shall become final in the same manner as though no prior decision of the Board had been rendered.

The amendment was agreed to.

The next amendment was, on page 47, after line 4, to strike out:

Sec. 5. Appeals to the Board of Tax Appeals in respect of income taxes shall be in the manner provided in section 38 of title X of this act.

The amendment was agreed to.

The next amendment was, on page 47, line 8, to change the section number from 6 to 5, and in the same line, after the word "District", to strike out "of Columbia", so as to read:

Sec. 5. (a) The assessor of the District and the board of assistant assessors, with the assessor as chairman, shall compose a Board of Equalization and Review, and as such Board of Equalization and Review they shall convene in a room to be provided for them by the Commissioners, on the first Monday of January of each year, and shall remain in session until the first Monday in April of each year, after which date no complaint as to valuation as herein provided shall be received or considered by such Board of

Equalization and Review. Public notice of the time and place of such session shall be given by publication for 2 successive days in two daily newspapers in the District not more than 2 weeks or less than 10 days before the beginning of said session. It shall be the duty of said Board of Equalization and Review to fairly and impartially equalize the value of real property made by the board of assistant assessors as the basis for assessment. Any five of said Board of Equalization and Review shall constitute a quorum for business, and, in the absence of the assessor, a temporary chairman may be selected. They shall immediately proceed to equalize the valuations made by the board of assistant assessors so that each lot and tract and improvements thereon shall be entered upon the tax list at their value in money; and for this purpose they shall hear such complaints as may be made in respect of said assessments, and in determining them they may raise the valuation of such tracts or lots as in their opinion may have been returned below their value and reduce the valuation of such as they may believe to have been returned above their value to such sum as in their opinion may be the value thereof. The valuation of the real property made and equalized as aforesaid shall be completed not later than the first Monday of May annually. The valuation of said real property made and equalized as aforesaid shall be approved by the Commissioners not later than July 1 annually, and when approved by the Commissioners shall constitute the basis of taxation for the next succeeding year and until another valuation is made according to law, except as hereinafter provided. Any person aggrieved by any assessment, equalization, or valuation made pursuant to this paragraph may within 90 days after July 1 of the year in which such assessment, equalization, or valuation is made, appeal from such assessment, equalization, or valuation in the same manner and to the same extent as provided in sections 3 and 4 of this title.

The amendment was agreed to.

The next amendment was, on page 49, line 16, after the word "board", to insert "of assistant assessors", so as to read:

(b) Annually, on or prior to July 1 of each year, the board of assistant assessors shall make a list of all real estate which shall have become subject to taxation and which is not then on the tax list, and affix a value thereon, according to the rules prescribed by law for assessing real estate; shall make return of all new structures erected or roofed, and additions to or improvements of old structures which shall not have been theretofore assessed, specifying the tract or lot of land on which each of such structures has been erected, and the value of such structure, and they shall add such valuation to the assessment made on such tract or lot. When the improvements on any lot or tract of land shall become damaged or be destroyed from any cause, the said board of assistant assessors shall reduce the assessment on said property to the extent of such damage: *Provided*, That the Board of Equalization and Review shall hear such complaints as may be made in respect of said assessments between July 1 and July 15 and determine the same not later than August 1 of the same year. Any person aggrieved by any assessment or valuation made pursuant to this paragraph may, within 90 days after August 1 of the year in which said valuation or assessment is made, appeal from such assessment or valuation in the same manner and to the same extent as provided in sections 3 and 4 of this title.

The amendment was agreed to.

The next amendment was, on page 50, line 12, after the word "said", to strike out "board" and insert "board of assistant assessors", so as to read:

(c) In addition to the annual assessment of all real estate made on or prior to July 1 of each year there shall be added a list of all new buildings erected or under roof prior to January 1 of each year, in the same manner as provided by law for all annual additions; and the amounts thereof shall be added as assessment for the second half of the then current year payable in the month of March. When the improvements on any lot or tract of land shall become damaged or be destroyed from any cause prior to January 1 of each year the said board of assistant assessors shall reduce the assessment on said property to the extent of said damage for the second half of the then current year payable in the month of March. The Board of Equalization and Review shall hear such complaints as may be made in respect of said assessments for the second half of said year between January 1 and January 15 and determine said complaints not later than February 1 of the same year. Any person aggrieved by any assessment made in pursuance of this paragraph may within 90 days after February 1 of the year in which such assessment is made, appeal from such assessment in the same manner and to the same extent as provided in sections 3 and 4 of this title.

The amendment was agreed to.

The next amendment was, on page 51, line 10, after the word "escaped", to insert "assessment and", so as to read:

(d) If the board of assistant assessors shall learn that any property liable to taxation has been omitted from the assessment for any previous year or years, or has been so assessed that the assessment was void, it shall be their duty at once to reassess this property for each and every year for which it has escaped

assessment and taxation, and report the same through the assessor, to the collector of taxes who shall at once proceed to collect the taxes so in arrears as other taxes are collected: *Provided*, That no property which has escaped assessment and taxation shall be liable under this section for a period of more than 3 years prior to such assessment, except in the case of property involved in litigation. In addition to the duties of the assessor hereinbefore provided, it shall be the duty of the assessor upon reassessment as herein provided to notify the taxpayer by writing of the fact of such reassessment. Any person aggrieved by any reassessment made in pursuance of this paragraph, may within 90 days after notice of said reassessment, appeal from said reassessment in the same manner and to the same extent as provided in sections 3 and 4 of this title.

The amendment was agreed to.

The next amendment was, on page 51, line 23, after the word "District", to strike out "of Columbia"; in line 25, after the word "District", to strike out "of Columbia"; on page 52, line 5, after the word "District", to strike out "of Columbia"; in line 9, after the word "District", to strike out "of Columbia"; in line 18, after the word "District", to strike out "of Columbia"; and in line 25, after the word "appeal", to strike out "to the Board" and insert "from such reassessment or redistribution", so as to read:

(e) Whenever application is made according to law for the reassessment or redistribution of taxes by reason of the subdivision of any tract of land in the District, the board of assistant assessors charged with the assessment of real estate in the District is hereby authorized and directed to reassess and redistribute any general or special assessment or tax levied or due and unpaid in accordance with provisions of laws for the assessment and equalizations of valuations of real estate in the District for taxation. The assessor shall promptly notify the owners of record of the land, the taxes of which shall be reassessed or redistributed. Notices in such case shall be served upon each lot or parcel owner if he or she be a resident of the District and his or her residence known, and if he or she be a nonresident of the District, or his or her residence unknown, such notice shall be served on his or her tenant or agent, as the case may be, and if there be no tenant or agent known to the Commissioners, then they shall give notice of such assessment by advertisement twice a week for 2 weeks in some newspaper published in said District. The service of such notice, where the owner or his tenant or agent resides in the District, shall be either personal or by leaving the same with some person of suitable age at the residence or place of business of such owner, agent, or tenant; and return of such service, stating the manner thereof, shall be made in writing and filed in the office of said Commissioners. Any person aggrieved by such reassessment or redistribution, may within 90 days after notice of such reassessment or redistribution, appeal from such reassessment or redistribution in the same manner and to the same extent as provided in sections 3 and 4 of this title.

The amendment was agreed to.

The next amendment was, on page 53, line 3, to change the section number from 7 to 6; in line 5, after the word "District", to strike out "of Columbia"; and in line 9, after the word "tax", to strike out "to the Board", so as to read:

SEC. 6. Any taxpayer who shall have paid within 3 years immediately preceding the approval of this act any tax to the District involuntarily, and under circumstances which according to law would entitle such taxpayer to the right to sue at law for the recovery of such tax, may within 90 days from the approval of this act, appeal from the imposition of such tax in the same manner and to the same extent as set forth in sections 3 and 4 of this title.

The amendment was agreed to.

The next amendment was, on page 53, line 12, to change the section number from 8 to 7, and in line 14, after the word "District", to strike out "of Columbia", so as to read:

SEC. 7. Any sum finally determined by the Board to have been erroneously paid by or collected from the taxpayer shall be refunded by the District to the taxpayer from its annual appropriation for refunding erroneously paid taxes in said District.

The amendment was agreed to.

The next amendment was, on page 53, line 17, to change the section number from 9 to 8.

The amendment was agreed to.

The next amendment was, on page 53, line 20, to change the section number from 10 to 9; in line 21, after the word "before", to strike out "them or any member of the Board" and insert "him", and in line 24, after the word "and", to strike out "any member of"; so as to read:

SEC. 9. The Board is hereby authorized and empowered to summon any person before him to give testimony on oath or affirmation or to produce all books, records, papers, documents, or other legal evidence as to any matter relating to this title; and the

Board is authorized to administer oaths and to take testimony for the purposes of the administration of this rule. Such summons may be served by any member of the Metropolitan Police department. If any person having been personally summoned shall neglect or refuse to obey the summons issued as herein provided, then and in that event the Board may report that fact to the District Court of the United States for the District of Columbia or one of the justices thereof, and said court or any justice thereof hereby is empowered to compel obedience to said summons to the same extent as witnesses may be compelled to obey the subpoenas of that court.

The amendment was agreed to.

The next amendment was, on page 54, after line 11, to strike out:

SEC. 11. If any member of the Board shall have any interest, directly or indirectly, as a member of a partnership or association, stockholder in a corporation, or otherwise, in any applicant in any appeal to the Board, such member shall be disqualified to act as a member of the Board in the matter of such appeal. Such member so disqualified shall notify the Commissioners in writing upon his first having knowledge of said appeal. In the event of a disqualification of any member of the Board as herein provided, the Commissioners shall select some disinterested person to act in place of such disqualified member of the Board and are authorized and directed to pay to such person acting in the place of such disqualified member as compensation for services rendered in such capacity the sum of \$15 for each day such person acts in the place of such disqualified member.

The amendment was agreed to.

The next amendment was, on page 55, after line 2, to strike out:

SEC. 12. Any two members of the Board shall constitute a quorum for the hearing and determination of appeals.

The amendment was agreed to.

The next amendment was, on page 55, line 5, to change the section number from 13 to 10.

The amendment was agreed to.

The next amendment was, on page 55, line 8, to change the section number from 14 to 11.

The amendment was agreed to.

The next amendment was, on page 55, line 18, to change the section number from 15 to 12.

The amendment was agreed to.

The next amendment was, under the heading "Title XI—Tax on beer", on page 57, line 10, after the word "license", to insert "except such beer as may have been purchased from a licensee under this act, and", so as to read:

SEC. 40. (a) There shall be levied and collected by the District of Columbia on all beer sold by the holder of a manufacturer's or wholesaler's license, except such beer as may have been purchased from a licensee under this act, and except such beer as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this act, and on all beer purchased for resale by the holder of a retailer's license, except such beer as may have been purchased from a licensee under this act, a tax of 50 cents for every barrel containing not more than 31 gallons and at a like rate for any other quantity or for the fractional parts thereof. Unless the Commissioners shall by regulation prescribe otherwise, the collection and payment of such tax shall be in the manner following:

(1) Each holder of a manufacturer's or wholesaler's license shall, on or before the 10th day of each month, furnish to the assessor of the District of Columbia, on a form to be prescribed by the Commissioners, a statement under oath showing the quantity of beer subject to taxation hereunder sold by him during the preceding calendar month, and shall, on or before the 15th day of each month, pay to the collector of taxes of the District of Columbia the tax hereby imposed upon the quantity of beer subject to taxation hereunder sold by him during the preceding calendar month.

The amendment was agreed to.

MR. KING. I ask unanimous consent that the clerks be authorized to renumber the sections.

THE PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House



had receded from its disagreement to the amendments of the Senate Nos. 26 and 27 to the bill (H. R. 8837) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1939, and for other purposes, and concurred therein; that the House still further insisted upon its disagreement to the amendments of the Senate Nos. 24 and 37 to the said bill, agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Woodrum, Mr. Johnson of Oklahoma, Mr. Fitzpatrick, Mr. Johnson of West Virginia, Mr. Houston, Mr. Wigglesworth, and Mr. Dirksen were appointed managers on the part of the House at the conference.

#### ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1882) for the relief of the Consolidated Aircraft Corporation, and it was signed by the President pro tempore.

#### NAVAL EXPANSION PROGRAM

The Senate resumed the consideration of the bill (H. R. 9218) to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. Minton in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably, without reservation, executive D, Seventy-fifth Congress, third session, a treaty of friendship, commerce, and navigation between the United States of America and the Kingdom of Siam, signed at Bangkok on November 13, 1937, with a final protocol and agreement relating thereto, and submitted a report (Exec. Rept. No. 6), thereon.

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. O'MAHONEY, from the Committee on the Judiciary, reported favorably the nomination of J. Charles Dennis, of Washington, to be United States attorney for the western district of Washington.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state in their order the nominations on the Executive Calendar.

#### UNITED STATES HOUSING AUTHORITY

The legislative clerk read the nomination of Charles J. Maxcy, of New Jersey, to be Director of Finance and Accounts Division.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### THE JUDICIARY

The legislative clerk read the nomination of Michael F. L. Walsh, of New York, to be United States attorney for the eastern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WAGNER. I ask unanimous consent that the President be immediately notified of the confirmation of the nomination of Mr. Walsh.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

#### IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

That completes the calendar.

#### RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until tomorrow, Tuesday, April 26, 1938, at 12 o'clock meridian.

#### NOMINATIONS

*Executive nominations received by the Senate April 25 (legislative day of April 20), 1938*

#### ASSAYER OF THE MINT

Paul J. Dowd, of Philadelphia, Pa., to be assayer of the mint of the United States at Philadelphia, Pa., in place of Chester W. Ziegler, deceased.

#### UNITED STATES ATTORNEY

James B. Frazier, Jr., of Tennessee, to be United States attorney for the eastern district of Tennessee. (Mr. Frazier is now serving in this office under an appointment which expired February 23, 1938.)

#### UNITED STATES MARSHALS

George P. Alderson, of West Virginia, to be United States marshal for the southern district of West Virginia. (Mr. Alderson is now serving in this office under an appointment which expires May 13, 1938.)

Donald A. Draughon, of Puerto Rico, to be United States marshal for the district of Puerto Rico. (Mr. Draughon is now serving in this office under an appointment which expired February 23, 1938.)

#### APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

##### TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Talley Dozier Joiner, Infantry, with rank from August 1, 1935.

Capt. Ralph Pulsifer, Infantry, with rank from August 1, 1935.

##### TO JUDGE ADVOCATE GENERAL'S DEPARTMENT

Maj. Archer Lynn Lerch, Infantry, with rank from August 1, 1935, effective July 1, 1938.

##### TO QUARTERMASTER CORPS

Maj. Harold Borden Bliss, Coast Artillery Corps, with rank from August 1, 1935.

Maj. Clare Wallace Woodward, Infantry, with rank from July 1, 1936.

Capt. Carter Marion Kolb, Infantry, with rank from October 1, 1934.

##### TO ORDNANCE DEPARTMENT

Capt. Gervais William Trichel, Coast Artillery Corps, with rank from January 7, 1935.

##### PROMOTION IN THE REGULAR ARMY

##### TO BE MAJOR

Capt. Frank Eckel Taylor, Judge Advocate General's Department, from April 1, 1938, subject to examination required by law.

## APPOINTMENTS IN THE REGULAR ARMY

## TO BE MAJOR GENERALS

Brig. Gen. Walter Campbell Sweeney, United States Army, from June 1, 1938, vice Maj. Gen. Harry E. Knight, United States Army, to be retired May 31, 1938.

Brig. Gen. Daniel Van Voorhis, United States Army, from July 1, 1938, vice Maj. Gen. Andrew Moses, United States Army, to be retired June 30, 1938.

Brig. Gen. Walter Schuyler Grant, United States Army, from October 1, 1938, vice Maj. Gen. George V. H. Moseley, United States Army, to be retired September 30, 1938.

Brig. Gen. Ben Lear, United States Army, from October 1, 1938, vice Maj. Gen. William E. Cole, United States Army, to be retired September 30, 1938.

## TO BE BRIGADIER GENERALS

Col. Robert Charlwood Richardson, Jr., Cavalry, vice Brig. Gen. Walter C. Sweeney, United States Army, nominated for appointment as major general.

Col. Francis Webster Honeycutt, Field Artillery, from June 1, 1938, vice Brig. Gen. Alfred T. Smith, United States Army, to be retired May 31, 1938.

Col. George Veazey Strong, Infantry, from June 1, 1938, vice Brig. Gen. Laurence Halstead, United States Army, to be retired May 31, 1938.

Col. Irving Joseph Phillipson, Infantry, vice Brig. Gen. Daniel Van Voorhis, United States Army, nominated for appointment as major general.

Col. Donald Cameron Cubbison, Field Artillery, from August 1, 1938, vice Brig. Gen. George R. Spalding, United States Army, to be retired July 31, 1938.

Col. Charles Fullington Thompson, Infantry, from September 1, 1938, vice Brig. Gen. Robert S. Abernethy, United States Army, to be retired August 31, 1938.

Col. Clarence Self Ridley, Corps of Engineers, vice Brig. Gen. Walter S. Grant, United States Army, nominated for appointment as major general.

Col. Henry Tacitus Burgin, Coast Artillery Corps, vice Brig. Gen. Ben Lear, United States Army, nominated for appointment as major general.

TO BE CHIEF OF ORDNANCE, WITH THE RANK OF MAJOR GENERAL, FOR A PERIOD OF 4 YEARS FROM DATE OF ACCEPTANCE, WITH RANK FROM JUNE 3, 1938

Col. Charles Macon Wesson, Ordnance Department, vice Maj. Gen. William H. Tschappat, Chief of Ordnance, whose term of office expires June 2, 1938.

TO BE ASSISTANT TO THE CHIEF OF ORDNANCE, WITH THE RANK OF BRIGADIER GENERAL, FOR A PERIOD OF 4 YEARS FROM DATE OF ACCEPTANCE, WITH RANK FROM JUNE 1, 1938

Col. Earl McFarland, Ordnance Department, vice Brig. Gen. Herman W. Schull, assistant to the Chief of Ordnance, to be retired May 31, 1938.

TO BE ASSISTANT TO THE CHIEF OF ORDNANCE, WITH THE RANK OF BRIGADIER GENERAL, FOR A PERIOD OF 4 YEARS FROM DATE OF ACCEPTANCE, WITH RANK FROM SEPTEMBER 1, 1938

Col. Charles Tillman Harris, Jr., Ordnance Department, vice Brig. Gen. Edward M. Shinkle, assistant to the Chief of Ordnance, whose term of office expires August 31, 1938.

TO BE ASSISTANT TO THE CHIEF OF THE AIR CORPS, WITH THE RANK OF BRIGADIER GENERAL, FOR A PERIOD OF 4 YEARS FROM DATE OF ACCEPTANCE, WITH RANK FROM JULY 17, 1938

Brig. Gen. Barton Kyle Yount, wing commander (colonel), Air Corps, vice Brig. Gen. James E. Chaney, assistant to the Chief of the Air Corps, whose term of office expires July 16, 1938.

## PROMOTIONS IN THE NAVY

Capt. David W. Bagley to be a rear admiral in the Navy, to rank from the 1st day of April 1938.

Commander Ernest L. Gunther to be a captain in the Navy, to rank from the 1st day of April 1938.

Lt. Comdr. Stanley D. Jupp to be a commander in the Navy, to rank from the 1st day of January 1938.

Lt. Edward A. Solomons to be a lieutenant commander in the Navy, to rank from the 1st day of March 1938.

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Lt. (J. g.) Paul P. Blackburn, Jr., to be a lieutenant in the Navy, to rank from the 1st day of January 1938.

Lt. (J. g.) Edward C. Renfro to be a lieutenant in the Navy, to rank from the 29th day of January 1938.

The following-named boatswains to be chief boatswains in the Navy, to rank with but after ensign, from the 15th day of October 1937:

Charles H. Stedman

Eugene L. Boyd

The following-named carpenters to be chief carpenters in the Navy, to rank with but after ensign, from the date stated opposite their names:

Benjamin F. Edwards, Jr., December 2, 1937.

Albert R. Clemens, February 2, 1938.

Louis W. Fox, March 2, 1938.

## POSTMASTERS

## ALABAMA

Ralph A. Blythe to be postmaster at Alexander City, Ala., in place of L. M. Thomas, deceased.

George W. Buck to be postmaster at Thomaston, Ala., in place of G. W. Buck. Incumbent's commission expired April 4, 1938.

## ARKANSAS

Floy R. Parr to be postmaster at Jonesboro, Ark., in place of F. R. Parr. Incumbent's commission expires April 27, 1938.

James H. Wiseman to be postmaster at Kensett, Ark., in place of C. B. Mills. Incumbent's commission expires April 27, 1938.

## CALIFORNIA

Palmer C. Risley to be postmaster at Arrowhead Spring, Calif., in place of P. C. Risley. Incumbent's commission expired February 5, 1938.

Robert A. Clothier to be postmaster at Cotati, Calif., in place of R. A. Clothier. Incumbent's commission expired February 20, 1938.

Lillian F. Young to be postmaster at Desert Center, Calif. Office became Presidential July 1, 1937.

Edith A. Knudsen to be postmaster at Klamath, Calif., in place of E. A. Knudsen. Incumbent's commission expired March 6, 1938.

Xerxes Kemp Stout to be postmaster at La Mesa, Calif., in place of X. K. Stout. Incumbent's commission expired March 20, 1938.

Myrtle M. Evers to be postmaster at Novato, Calif., in place of M. M. Evers. Incumbent's commission expired April 4, 1938.

Nellie G. Donohoe to be postmaster at Oakland, Calif., in place of N. G. Donohoe. Incumbent's commission expires May 7, 1938.

Charles A. Turner to be postmaster at Oceanside, Calif., in place of C. A. Turner. Incumbent's commission expired March 20, 1938.

Spencer Briggs to be postmaster at Oleum, Calif., in place of Spencer Briggs. Incumbent's commission expired March 20, 1938.

Janet R. Carroll to be postmaster at Pebble Beach, Calif., in place of J. R. Carroll. Incumbent's commission expired February 20, 1938.

George W. Megrew to be postmaster at Rancho Santa Fe, Calif., in place of G. W. Megrew. Incumbent's commission expired February 2, 1938.

Janet D. Watson to be postmaster at Tahoe, Calif., in place of J. D. Watson. Incumbent's commission expired April 4, 1938.

Richard M. Wood to be postmaster at Thermal, Calif., in place of R. M. Wood. Incumbent's commission expired February 5, 1938.

## COLORADO

Frances M. Parker to be postmaster at Alma, Colo., in place of I. S. Faires, resigned.

## ILLINOIS

Grace M. Lennon to be postmaster at Plainfield, Ill., in place of J. P. Lennon, deceased.



## INDIANA

Myrtle A. Schreiber to be postmaster at New Palestine, Ind., in place of M. A. Schreiber. Incumbent's commission expired January 31, 1938.

Earl R. Rickard to be postmaster at Pekin, Ind., in place of E. G. Ashabraner, deceased.

## \*KANSAS

Charles E. Drumm to be postmaster at Centralia, Kans., in place of C. E. Drumm. Incumbent's commission expired February 10, 1938.

Frank M. Proffitt to be postmaster at Chase, Kans., in place of F. M. Proffitt. Incumbent's commission expired February 28, 1938.

Ray T. Ingalls to be postmaster at Goff, Kans., in place of R. T. Ingalls. Incumbent's commission expired February 28, 1938.

Guietta Stark to be postmaster at Perry, Kans., in place of Guietta Stark. Incumbent's commission expired February 28, 1938.

## LOUISIANA

Edwin R. Ford to be postmaster at Jonesville, La., in place of E. R. Ford. Incumbent's commission expired February 22, 1938.

Annie B. Netterville to be postmaster at Newellton, La., in place of A. B. Netterville. Incumbent's commission expired February 22, 1938.

## MAINE

Arnold D. Chase to be postmaster at Kezar Falls, Maine., in place of A. D. Chase. Incumbent's commission expired January 30, 1938.

## MASSACHUSETTS

John Elbridge Perkins to be postmaster at Essex, Mass., in place of C. S. Perkins. Incumbent's commission expired January 30, 1938.

Mary L. McParlin to be postmaster at Sandwich, Mass., in place of M. L. McParlin. Incumbent's commission expired March 7, 1938.

Felix Pasqualino to be postmaster at Wakefield, Mass., in place of Felix Pasqualino. Incumbent's commission expired February 10, 1938.

Paul Revere Robie to be postmaster at West Dennis, Mass., in place of M. T. Nickerson, removed.

## MICHIGAN

George W. Hackney to be postmaster at Mount Morris, Mich., in place of G. W. Hackney. Incumbent's commission expired March 14, 1938.

## MINNESOTA

Svend Petersen to be postmaster at Askov, Minn., in place of Svend Petersen. Incumbent's commission expired January 31, 1938.

Joseph R. Keefe to be postmaster at Redwood Falls, Minn., in place of J. R. Keefe. Incumbent's commission expired January 31, 1938.

## MISSISSIPPI

Frankie M. Storm to be postmaster at Benoit, Miss., in place of F. M. Storm. Incumbent's commission expired April 4, 1938.

## MISSOURI

Nettie Morgan to be postmaster at Camdenton, Mo., in place of Nettie Morgan. Incumbent's commission expired February 10, 1938.

Albert Linxwiler to be postmaster at Jefferson City, Mo., in place of Albert Linxwiler. Incumbent's commission expired February 20, 1938.

Alexander W. Graham to be postmaster at Kansas City, Mo., in place of A. W. Graham. Incumbent's commission expired April 25, 1938.

Jesse A. Twyman to be postmaster at Triplett, Mo., in place of J. A. Twyman. Incumbent's commission expired February 10, 1938.

Mahlon N. White to be postmaster at Warsaw, Mo., in place of M. N. White. Incumbent's commission expired February 10, 1938.

## NEBRASKA

Ernest J. Kaltenborn to be postmaster at Waco, Nebr., in place of E. J. Kaltenborn. Incumbent's commission expired January 31, 1938.

## NEW HAMPSHIRE

James J. Cavanaugh to be postmaster at Dover, N. H., in place of J. J. Cavanaugh. Incumbent's commission expired February 2, 1938.

Lottie B. Farnsworth to be postmaster at North Rochester, N. H., in place of S. E. Coburn. Incumbent's commission expired February 5, 1936.

## NEW JERSEY

Frank James Grownney to be postmaster at Englewood, N. J., in place of M. A. Whyard, transferred.

## NEW YORK

Daniel W. Hanley to be postmaster at Albion, N. Y., in place of D. W. Hanley. Incumbent's commission expired January 31, 1938.

Frank V. Wiatrowski to be postmaster at Angola, N. Y., in place of F. V. Wiatrowski. Incumbent's commission expired February 10, 1938.

Pierce D. Kane to be postmaster at Averill Park, N. Y., in place of P. D. Kane. Incumbent's commission expired February 28, 1938.

Lorenzo J. Burns to be postmaster at Batavia, N. Y., in place of L. J. Burns. Incumbent's commission expired April 4, 1938.

Wayne H. Wright to be postmaster at East Aurora, N. Y., in place of W. H. Wright. Incumbent's commission expired January 31, 1938.

Hugh M. Bulger to be postmaster at Norwich, N. Y., in place of H. M. Bulger. Incumbent's commission expired January 31, 1938.

Arthur B. Stiles to be postmaster at Owego, N. Y., in place of A. B. Stiles. Incumbent's commission expired April 4, 1938.

John M. Corey to be postmaster at Saratoga Springs, N. Y., in place of J. M. Corey. Incumbent's commission expired April 4, 1938.

Daniel J. Falvey to be postmaster at Schuylerville, N. Y., in place of D. J. Falvey. Incumbent's commission expired April 4, 1938.

William P. Degenaar to be postmaster at Slingerlands, N. Y., in place of W. P. Degenaar. Incumbent's commission expired March 22, 1938.

Anthony J. Kennedy to be postmaster at Suffern, N. Y., in place of A. J. Kennedy. Incumbent's commission expired January 31, 1938.

Edmund L. Weston to be postmaster at Syracuse, N. Y., in place of E. L. Weston. Incumbent's commission expired January 31, 1938.

Marantha Knapp to be postmaster at West Nyack, N. Y., in place of Marantha Knapp. Incumbent's commission expired February 28, 1938.

## NORTH DAKOTA

Ronald Keeley to be postmaster at Hazen, N. Dak., in place of C. T. Albers, removed.

## OHIO

Charles A. Kirk to be postmaster at Toledo, Ohio in place of C. E. Kirschner. Incumbent's commission expires May 2, 1938.

## OREGON

Tracy Savery to be postmaster at Dallas, Oreg., in place of Tracy Savery. Incumbent's commission expired March 20, 1938.

Jack R. Strauss to be postmaster at Falls City, Oreg. Office became Presidential July 1, 1937.

Glen C. Smith to be postmaster at Independence, Oreg., in place of G. C. Smith. Incumbent's commission expired March 20, 1938.

## PENNSYLVANIA

Harold Doering to be postmaster at Bethayres, Pa. Office became Presidential July 1, 1937.

Edwin A. Breinig to be postmaster at Egypt, Pa. Office became Presidential July 1, 1937.

## SOUTH CAROLINA

Dana T. Crosland to be postmaster at Bennettsville, S. C., in place of D. T. Crosland. Incumbent's commission expired February 1, 1938.

## SOUTH DAKOTA

Kathryn H. Speirs to be postmaster at Ree Heights, S. Dak., in place of K. H. Speirs. Incumbent's commission expired March 22, 1938.

Joseph A. Crowley to be postmaster at Sioux Falls, S. Dak., in place of J. A. Crowley. Incumbent's commission expired March 22, 1938.

## UTAH

Isaac A. Smoot to be postmaster at Salt Lake City, Utah, in place of I. A. Smoot. Incumbent's commission expires May 1, 1938.

## VERMONT

Kenneth Alan Tudhope to be postmaster at North Hero, Vt., in place of K. A. Tudhope. Incumbent's commission expired January 31, 1938.

## WEST VIRGINIA

Chauncy R. Crabtree to be postmaster at Fort Gay, W. Va. Office became Presidential July 1, 1936.

Everett F. Walker to be postmaster at Wayne, W. Va., in place of R. L. Millies, removed.

## WISCONSIN

Henry E. Steinbring to be postmaster at Fall Creek, Wis., in place of H. E. Steinbring. Incumbent's commission expired January 30, 1938.

Melvin G. Gumm to be postmaster at Jackson, Wis., in place of Christ Herman, removed.

Ida Melchert to be postmaster at Saxon, Wis., in place of Ida Melchert. Incumbent's commission expired March 22, 1938.

Henry A. Kirk to be postmaster at Spring Valley, Wis., in place of H. C. Peterson, removed.

Kenneth E. Moscrip to be postmaster at White Lake, Wis., in place of W. J. Kyes, resigned.

## WYOMING

Jesse B. Budd to be postmaster at Big Piney, Wyo., in place of J. B. Budd. Incumbent's commission expired April 2, 1938.

John F. Cook to be postmaster at Cody, Wyo., in place of J. F. Cook. Incumbent's commission expired February 1, 1938.

Myra E. Geer to be postmaster at Cokeville, Wyo., in place of M. E. Geer. Incumbent's commission expired February 1, 1938.

Frederick W. Chamberlain to be postmaster at Greybull, Wyo., in place of F. W. Chamberlain. Incumbent's commission expired February 1, 1938.

Andrew Morrow to be postmaster at Kemmerer, Wyo., in place of Andrew Morrow. Incumbent's commission expired February 1, 1938.

Albert E. Holliday to be postmaster at Laramie, Wyo., in place of A. E. Holliday. Incumbent's commission expired March 7, 1938.

Allen T. Frans to be postmaster at Meeteetse, Wyo., in place of A. T. Frans. Incumbent's commission expired February 1, 1938.

Dorsey T. Shoemaker to be postmaster at Torrington, Wyo., in place of D. T. Shoemaker. Incumbent's commission expired February 1, 1938.

## CONFIRMATIONS

*Executive nominations confirmed by the Senate April 25 (legislative day of April 20), 1938*

## UNITED STATES HOUSING AUTHORITY

Charles J. Maxcy to be Director of Finance and Accounts Division.

## UNITED STATES ATTORNEY

Michael F. L. Walsh to be United States attorney for the eastern district of New York.

## APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Maj. Edward Avery Austin to Quartermaster Corps.  
Maj. Earl LeVerne Lyons to Quartermaster Corps.  
Capt. Harry Edwin Magnuson to Quartermaster Corps.  
Second Lt. Theodore Janof to Quartermaster Corps.  
First Lt. Harold Webb Browning to Field Artillery.

## PROMOTIONS IN THE REGULAR ARMY

Shelley Uriah Marietta to be colonel, Medical Corps.  
Robert Skelton to be colonel, Medical Corps.  
Omar Heinrich Quade to be colonel, Medical Corps.  
Thomas Ewing Scott to be colonel, Medical Corps.  
Thomas Everett Harwood, Jr., to be colonel, Medical Corps.  
Samuel Jay Turnbull to be colonel, Medical Corps.  
Michael Andrew Dailey to be colonel, Medical Corps.  
Alvin Charles Miller to be colonel, Medical Corps.  
Chester Raymond Haig to be colonel, Medical Corps.  
William Eugene Hall to be colonel, Medical Corps.  
Hew Bernard McMurdo to be colonel, Medical Corps.  
Thomas Ward Burnett to be colonel, Medical Corps.  
Robert Morris Hardaway to be colonel, Medical Corps.  
John Wesley Sherwood to be colonel, Medical Corps.  
Guy Logan Qualls to be colonel, Medical Corps.  
James Ernest Baylis to be colonel, Medical Corps.  
Douglas Wiltz McEnery to be colonel, Medical Corps.  
John William Meehan to be colonel, Medical Corps.  
Ralph Ellis Murrell to be lieutenant colonel, Medical Corps.

Weldon Kenneth Ruth to be captain, Medical Corps.  
Gus Warlick Neece to be captain, Medical Corps.  
Ryle August Radke to be captain, Medical Corps.  
William Archer Squires to be colonel, Dental Corps.  
Arnett Percy Matthews to be colonel, Dental Corps.  
Herman James Lambert to be lieutenant colonel, Dental Corps.

James Barrett Mockbee to be lieutenant colonel, Dental Corps.

Page Purnell Albert Chesser to be lieutenant colonel, Dental Corps.

Hutton A. Shearer to be captain, Dental Corps.

Walter Smit to be captain, Veterinary Corps.

Edward James Gearin to be captain, Medical Administrative Corps.

James Hugh O'Neill to be chaplain, United States Army, with the rank of major.

## POSTMASTERS

## ALABAMA

James T. Monnier, Demopolis.  
Maurice F. Law, Linden.

## COLORADO

Harry M. Katherman, Aurora.  
Walton T. Day, Byers.  
Ralph E. Vincent, Otis.

## GEORGIA

Robert H. Manson, Darien.  
Mary V. Lynch, Fort Screven.  
Rushin Watkins, Reidsville.  
Susie M. Lunsford, Smithville.  
Myrtle Louise Walker, Soperton.  
Victor L. Howe, Tallapoosa.

## ILLINOIS

Deane J. McAlister, Greenville.

## LOUISIANA

Albert C. Locke, Marthaville.  
William S. Montgomery, Saline.  
Elias C. Leone, Zwolle.

## MAINE

George I. McIntosh, Lisbon Falls.  
Edna M. Ellis, North Anson.  
Leo M. Cyr, Rockwood.



## NEW MEXICO

Joseph Q. Welch, Dawson.  
Richard W. Harper, Dulce.

## OHIO

Francis J. Daubel, Fremont.

## PENNSYLVANIA

George E. Diehl, Chambersburg.  
William P. Kohler, Glassport.  
Frank H. Black, Greensboro.  
Rebecca Campbell, Midway.

## HOUSE OF REPRESENTATIVES

MONDAY, APRIL 25, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Many, O Lord our God, are Thy works which Thou hast made, and Thy thoughts to usward cannot be numbered. We pray that we may delight to do Thy will; write Thy law within our hearts. In prayer, thought, and endeavor, we beseech Thee to prevail among us. In an atmosphere and light of splendid aspirations, pulsating with moral power and understanding, may all things in our country be brought into a state of good health and harmony. Selfishness, the poison of so many woes, oh, take it all away and enthrone within us a fine sense of justice and righteousness. Blessed Lord, let not the pride of our own breasts deceive us; may we vow to conduct ourselves wisely and prudently in all good and manly ways. Grant that we may believe profoundly in the Golden Rule; if we are faithful to it, we shall share its ultimate joy and victory. We commend unto Thee, Heavenly Father, with all Thy gracious blessings, our President, our Speaker and Members, officers, and employees of the Congress. May we all live with true hearts and in fellowship with one another. Through Christ. Amen.

The Journal of the proceedings of Thursday, April 21, 1938, was read and approved.

## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

## PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent that on Wednesday next, at the conclusion of the legislative program of the day, I may be permitted to address the House for 30 minutes.

Mr. SNELL. Reserving the right to object, Mr. Speaker, in order to ask the majority leader a question, can the gentleman tell us something about the program for tomorrow and the next day? This information may help us in connection with these unanimous-consent requests.

Mr. RAYBURN. I had the program in my head on last Thursday and put it in the RECORD. After disposing of the business of the Committee on the District of Columbia today we will take up the conference report on the independent offices appropriation bill. I will have to refer to the RECORD for the rest of the program.

Mr. SNELL. I have no objection to the request, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

## EXTENSION OF REMARKS

Mr. CROWE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a short radio address by Gov. M. Clifford Townsend, of Indiana.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. NELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein brief resolutions adopted by labor leaders of Slater, Mo., these resolutions being carried in a letter addressed to William Green and John L. Lewis.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

## PERMISSION TO ADDRESS THE HOUSE

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative program of today I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

## IMPORTATION OF COTTON

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I call the attention of the House to the fact that last Thursday 12,000 bales of cotton came into this country from India. Think of it, 4,800,000 pounds of cotton coming into Norfolk and stored in Richmond, Va., to be manufactured by the mills of North Carolina and to be consumed by the American public. Stop the reciprocal-trade agreements at once, stop the importation of all commodities that compete with American labor, farmers, and manufacturers.

If the people who raise cotton in North Carolina, South Carolina, Texas, Mississippi, Georgia, and the other Southern States are going to permit this enormous amount of Indian cotton to be imported, what do you think you are going to do with your cotton farmers of the South? It is time you wake up. This is the second shipment this year of Indian cotton to our ports. When the people of North Carolina do not know what to do with the cotton the farmers in that State now grow. The manufacturers buy it because it resembles wool more than the cotton they grow in this country. It is coarser. Well, what about the wool growers of America, who cannot sell their wool today? Do we help anybody in America by permitting these imports of commodities that we should raise on our own farms? No; never. Stop these imports; keep American markets for the American farmers and American labor.

The cotton that came from India last Thursday, 4,800,000 pounds, traveled more than 10,000 miles to reach Richmond.

It will be held there in warehouses until the manufacturers withdraw it for the mills to manufacture into blankets to resemble a wool blanket—to fool our American housewives. Richmonders who have inspected it say it appears to be  $\frac{5}{8}$ -inch staple. The bales bear the stamp "Produce of British India." Warehouse employees said the cotton was valued at about \$50 per 400-pound bale. It is the second such shipment going to a North Carolina firm which manufactures blankets, they said.

The cotton came first to New York City, where it was unpacked and fumigated to prevent possible entry of crop pests. It came from New York over the eastern steamship lines via Norfolk to Richmond.

Richmonders have been puzzled how India cotton could be shipped such a long distance and used to compete with American cotton grown in the majority of the Southern States. Some say the Deccan Delta is very rich and requires no fertilizer. Cheap labor has been advanced as another reason. I do not care how rich the land in India or how cheap the labor, we should not import cotton. How can we give our labor work and permit the importation of such cotton? How can we keep our standard of living up and compete with cheap Indian labor or any foreign labor. It just cannot be done.

How can you Democratic Congressmen from Southern States permit this administration to do such things without a vehement protest. I am for a tariff on all foreign products that compete with American labor, American farmers, and American manufacturers. In the name of America protect our own people. Will Congress do their duty?

#### COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may have permission to sit during the sessions of the House on tomorrow and the next day.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

#### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. EICHER. Mr. Speaker, I ask unanimous consent that the Securities Subcommittee of the Committee on Interstate and Foreign Commerce may have permission to sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

#### EXTENSION OF REMARKS

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a short extract from an editorial in the Lewiston Tribune.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. TEIGAN and Mr. BINDERUP asked and were given permission to extend their own remarks in the RECORD.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a short editorial from a New Jersey paper.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

#### INTERCOASTAL SHIPPING

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARLSON. Mr. Speaker, I rise to inquire if this Congress is going to enact legislation that will return the interior of the United States to the Indians. On April 20 the Committee on Merchant Marine and Fisheries reported to the House H. R. 10315 with the recommendation that it pass. This bill provides a subsidy for intercoastal shipping.

There is pending in the Senate S. 3032, which, if enacted into law, would eliminate the Panama Canal tolls for vessels engaged in trade between the Atlantic and Pacific coasts. Of these two bills the direct subsidy bill is more dangerous and will prove the most disastrous if enacted into law. This bill, in the guise of helping the intercoastal lines, would without doubt result in reducing transportation charges for Pacific coast shippers who use the Canal route. The present low cost water transportation from the Pacific Northwest has already resulted in inestimable and irreparable injury to the southwestern wheat producers and millers, and any movement to further reduce the cost of this transportation will result in much more danger and injury to the southwestern farmer. While the bulk of the movement of grain from Kansas to the East and Southeast is in the form of products shipped by the flour mills in Kansas, the grain producer has a direct interest in this legislation. Practically all the wheat ground in Kansas mills consists of Kansas, Oklahoma, or Nebraska wheat, and the welfare of these wheat producers and grain dealers depends largely upon the ability of the mills to grind such wheat and dispose of the products in eastern and southern domestic markets in com-

petition with flour and grain products ground in other sections of the country.

In recent years there has been a considerable influx of Pacific coast wheat and flour into the East and Southeast by steamers from the Pacific coast through the Panama Canal to Gulf and Atlantic ports. This grain and flour was then moved inland by both truck and rail transportation in direct competition with wheat that might be transported only by rail from the interior points at a much higher cost per bushel or barrel. This movement has grown and developed from a surplus production of wheat in the Northwest and has increased largely as a result of the loss of the world markets, particularly in the market in the Orient. The loss of this export trade resulted in an accumulation of wheat and flour stocks in the Northwest and tended to reduce the price of northwest wheat and flour. This, together with a low transportation cost by water through the Panama Canal to the eastern and southern markets, has displaced to a very large extent the movement of wheat and flour from the Southwest. The only possible way that the Southwest wheat grower and miller can meet this competitive price is for the farmer to sell his wheat at less per bushel and the miller sell his flour on the same basis. In the final analysis the farmers of the Southwest must take less for their wheat in order to enable the miller to grind it and meet this competition. The reduction or subsidy in intercoastal water transportation always reverts back to the wheat farmer and producer in the Middle West.

H. R. 10315 proposes a direct subsidy of as much as \$2 per displacement or gross tonnage of a vessel. The cargo tonnage of a vessel is usually about two-thirds of the displacement or gross tonnage and therefore the \$2 per ton subsidy would in reality be a subsidy of \$3 per cargo ton. With these vessels receiving a subsidy of approximately \$3 per carried ton, they would be receiving a bonus of 15 cents per hundredweight on freight carried. It would mean that the Government would pay them 9 cents a bushel for carrying wheat from the Pacific Northwest to Atlantic seacoast points. This would apply to the transportation of flour on the same basis. At the present time the rate on wheat flour from Seattle to North and South Atlantic ports is about 38 cents per hundred. This can be compared with a rate from Kansas City to New York of approximately 42 cents and to Jacksonville, Fla., a rate of 49½ cents. If the Federal Government should pay the shipowners 15 cents per hundredweight for carrying flour from Pacific ports to Atlantic ports, one can readily see that it would completely eliminate the southwestern miller and wheat producer from the Atlantic coast market.

It is estimated at present that Kansas will produce approximately 175,000,000 bushels of winter wheat this year, and if the farmers of that State must take a 9-cent differential on transportation costs to their markets it will mean that this subsidy will cost the wheat growers of Kansas \$15,750,000. This subsidy will not only result in a loss to the farmers and producers of the interior of the United States but it will force the millers and manufacturers to move their plants and industries to the coast. It will practically destroy the railroads that are now operating in the interior sections and if carried into effect will make a desert of this section of the United States.

In this connection it might be interesting to note the trend of population in the United States. Between 1920 and 1930 the population increased 14 percent in the Atlantic Coast States, in the Gulf Coast States the population increased 21 percent, in the Pacific Coast States the population increased 48 percent. In Missouri, Iowa, Nebraska, and Kansas the population increased only 5 percent as against the 48 percent on the Pacific coast. It has been pointed out that during the past 10 years 80 percent of the increase in population has been within 50 miles of the Atlantic coast, Gulf coast, or Pacific coast. Therefore, it behooves us to watch any legislation that will tend to reduce the costs as between the Atlantic and Pacific coasts.



Mr. Speaker, for the next few minutes I want to discuss S. 3032, which bill provides that section 5 of the Panama Canal Act shall be amended to read as follows:

No tolls shall be levied upon vessels engaged in intercoastal trade in the United States.

As I stated previously, this bill, if enacted into law, would not be as detrimental to the Middle West as H. R. 10315, but even this bill would have detrimental and far-reaching effects. The laws governing the Canal Zone were codified in 1934 by instruction of Congress and section 411 of title 2 provides that the President may from time to time change the toll on intercoastal vessels, subject to a limitation that the tolls shall not exceed \$1.25 per registered ton and shall not be less than 75 cents per registered ton. A change in tolls cannot be made by the President unless 6 months' notice thereof is given by proclamation. In analyzing the tonnage between the Atlantic and Pacific coasts, using the period of from 1915 to 1935, I find that the average toll was 91 cents per cargo ton. If the tolls were exempted this would mean a reduction of transportation costs between the Atlantic and Pacific coasts of approximately 4 cents per hundredweight. While this would not seriously effect the rate situation, it is another method of favoring the intercoastal trade. The heaviest movement of freight between the two coasts on United States traffic amounted to about 16,000,000 tons in 1924. At the present time it is down to approximately 10,000,000 tons. In 1936 the toll costs amounted to only 88 cents per cargo ton and in 1937 they were down to 80 cents per cargo ton.

It occurs to me that our Government should continue to collect tolls to pay for the operation and maintenance of the Panama Canal. It is true that the Canal was built as a military necessity, but the construction of this canal has caused terrific losses in the development and industry of the Middle West. We of the Middle West, as patriotic citizens, were enthusiastic for the construction of the Panama Canal, but did not anticipate the serious effect on that section of the United States.

In view of the fact that this type of legislation will further prove to the disadvantage of the great interior sections of our country, I urge every Member of Congress from that section to seriously consider this legislation.

#### EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address which I delivered in the Public Auditorium at Cleveland, Ohio, on Sunday, April 24, 1938.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from one of the outstanding farmers of the Nation.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for one-half minute to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, tonight from 9:30 until 10 o'clock our distinguished chairman of the Rules Committee, the gentleman from New York [Mr. O'CONNOR], is to make an important address over the network of the National Broadcasting Co. I hope the membership of the House and the country at large will listen to the message from the distinguished Member of our body, which message, I feel sure, will be of utmost importance to our country.

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for another one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### UN-AMERICAN ACTIVITIES

Mr. DICKSTEIN. Mr. Speaker, in extending my remarks, I ask unanimous consent to include part of an editorial of the New York Journal dealing with the Anti-Communist, Anti-Fascist, and Anti-Nazi League, the office of which organization was raided by Nazi storm troopers last week, at which time one of its officers was severely wounded by the attackers.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to is as follows:

[From the New York Journal and American of April 23, 1938]

O Democracy, what frauds are committed in thy name.

So it is now a matter worth recording that a true American league has been formed, with headquarters at 130 Flatbush Avenue, Brooklyn, to openly combat all three of our enemies—communism, Nazi-ism, and fascism.

It is called the Anti-Communist, Anti-Fascist, Anti-Nazi League. Its object is "to promote one 'ism,' Americanism," its platform states.

It calls America to the colors in these ringing words:

"Our league is mainly composed of American workers who thank God daily for the privilege of earning their bread in America. We refuse to sit by idly any longer and watch the scavengers of democracy shout for a Soviet America, a Fascist America, or a Nazi America.

"Through truthful propaganda we shall reveal to every worker the blessings of our beloved democracy and the hells of living under any form of a dictatorship."

There should be leagues like this in every city, town, and hamlet throughout America.

It is time we Americans snapped out of our negative attitude toward our incomparable institutions.

It is time we took the offensive in an educational and propagandist campaign against the triple-headed serpent that has raised its head in our country—communism, Nazi-ism, and fascism.

The Anti-Communist, Anti-Fascist, Anti-Nazi League is a good beginning.

Mr. DICKSTEIN. Mr. Speaker, during my investigation of un-American activities recently, to my great astonishment and surprise I found that we had a well-organized secret Nazi police in this country which was being directed from abroad. The name of this secret service is the Gestapo.

Heinrich Himmler, Nazi Gestapo chieftain, directs the dread secret policy of Nazi Germany from his Berlin headquarters. Diplomatic mail pouches daily bring secret information to his attention.

Short-wave radio stations carry messages also to the Gestapo headquarters in code. His agents encircle the entire globe. His machine is the greatest spying outfit ever conceived in modern times.

Americans in the United States have been bullied and threatened by the Gestapo. Firms and individuals have painfully felt the long arm of this poisonous spying system. Threats against dear ones and relatives in Germany have forced thousands of dollars from German-American firms, which money is used for vicious propaganda against the American Government and its citizens.

Gestapo agents come in illegally through the Hapog Lloyd Steamship Lines and exchange places with old secret agents, who then depart by the same ship lines. Recent events definitely emphasize the nefarious work of these bullying spies. The newspaper editor beaten in Brooklyn on April 22 can be traced to the work of the Gestapo. Many of these agents were present at the riot in Yorkville in order to report back to Hitler.

Mr. Speaker, lately there has hardly passed a day that we did not hear of some disturbances created by Nazi groups throughout the country. Irrespective of all the exposures on the floor of the House and in the daily press, these groups are continuing to smuggle their insidious propaganda material into this country for the purpose of creating race hatred and intolerance.

Mr. Speaker, no doubt you have read the accounts of the latest attacks on American citizens by these swastika-waving

maniacs. It has now reached a point that we owe it to our citizens to protect them against such vicious attacks. It is the duty of Congress to give this protection to the people, who elected their Representatives for that purpose, by destroying this secret system of a foreign power within the system of our country.

[Here the gavel fell.]

#### EXTENSION OF REMARKS

Mr. VOORHIS, Mr. MAVERICK, and Mr. RICH asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a copy of a radio speech delivered by myself.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

#### AMENDMENT OF THE MERCHANT MARINE ACT OF 1936

Mr. O'CONNOR of New York, from the Committee on Rules, submitted the following resolution, which was referred to the House Calendar and ordered printed:

#### House Resolution 470

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 10315, a bill to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend, with or without instructions.

#### EXTENSION OF REMARKS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein a circular letter I wrote on the reorganization plan.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a short address I delivered Saturday evening on the topic of The Place of Puerto Rico in United States Defense and Economics.

The SPEAKER. Is there objection to the request of the Resident Commissioner from Puerto Rico?

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that on Wednesday, following the legislative program of the day and any other special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia day, and the Chair recognizes the gentleman from Maryland [Mr. PALMISANO], chairman of the Committee on the District of Columbia.

#### INSURANCE OF TAXICABS—CONFERENCE REPORT

Mr. PALMISANO. Mr. Speaker, I present a conference report and statement upon the bill (H. R. 7084) to provide that all cabs for hire in the District of Columbia be compelled to carry insurance for the protection of passengers, and for other purposes, for printing under the rule.

#### MAINE AVENUE

Mr. PALMISANO. Mr. Speaker, I call up House Joint Resolution 658, for the designation of a street or avenue to be known as Maine Avenue, which I send to the desk.

The Clerk read as follows:

*Resolved, etc.*, That in honor of the State of Maine that part of Water Street SW., in the District of Columbia, lying between Fourteenth Street SW. and P Street SW., is hereby renamed "Maine Avenue" and shall hereafter bear the name of "Maine Avenue."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### UNITED STATES POWER SQUADRONS

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 9556) to incorporate the United States Power Squadrons, and for other purposes, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland that the bill be considered in the House as in Committee of the Whole?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.*, That Wesley E. Morse, of Hartford, Conn.; Arthur Middleton, of New York, N. Y.; and Washington, D. C.; Harold Dudley Greeley, of New York, N. Y.; F. K. Gundlach, of New York, N. Y.; Edwin A. Jimenis, of New York, N. Y.; Harold H. Funk, of Brooklyn, N. Y.; Henry A. Jackson, of New York, N. Y.; Dr. A. B. Bennett, of Washington, D. C.; William A. Smith, of Staten Island, N. Y.; Herbert L. Seward, of New Haven, Conn.; Woodruff R. Smith, of West Haven, Conn.; Charles D. Case, of Larchmont, N. Y.; Charles F. Chapman, of New York, N. Y.; Herbert F. Christie, of New York, N. Y.; George E. Rice, of New York, N. Y.; C. Scott Lansing, of New York, N. Y.; H. R. Philbrick, of Hartford, Conn.; M. L. Martus, of Waterbury, Conn.; William M. Finkenaur, of New York, N. Y.; Gustav Zeese, of Roosevelt, N. Y.; John K. Murphy, of Branford, Conn.; Daniel H. Fowler, of Washington, D. C.; George F. Flentje, Jr., of Baltimore, Md.; George J. Smith, of Valley Stream, N. Y.; Pemberton Whitcomb, of New York, N. Y.; Richard P. Terhune, of River Edge, N. J.; Wilbur A. Smith, of Oaklyn, N. J.; Fred G. Bender, of Philadelphia, Pa.; and G. W. Rappleyea, of Baltimore, Md., their associates and successors, are hereby created a body corporate and politic of the District of Columbia, where its domicile shall be.

Sec. 2. The name of this corporate body shall be "United States Power Squadrons," and by that name it shall have perpetual succession, with power to sue and be sued in courts of law and equity within the jurisdiction of the United States; to hold such real and personal estate as shall be necessary for corporate purposes, and to receive real and personal property by gift, devise, or bequest; to adopt a seal, and the same to alter and destroy at pleasure; to have offices and conduct its business and affairs within and without the District of Columbia and in the several States and Territories of the United States; to make and adopt a constitution and by-laws, rules, and regulations not inconsistent with the laws of the United States of America or any State thereof, and generally to do all such acts and things (including the establishment of regulations for the election of associates, members, and successors) as may be necessary to carry into effect the provisions of this act and promote the purposes of said corporate body.

Sec. 3. The purpose of this corporate body shall be to establish a high standard of skill in the handling and navigation of yachts, to encourage the study of the science of navigation, to cooperate with the agencies of the United States Government charged with the enforcement of the laws and regulations relating to navigation, and to stimulate interest in activities which will tend to the up-building of our merchant marine, the United States Coast Guard, and the United States Navy.

Sec. 4. Said corporate body shall acquire, by way of gift, all the assets of the existing organization of the United States Power Squadrons, Inc., organized under the laws of the commonwealth of Massachusetts, and defray and provide for any debts or liabilities to the discharge of which said assets shall be applicable; but said corporate body shall have no power to issue certificates of stock or to declare or pay dividends, its objects and purposes being solely of a benevolent character and not for pecuniary profit to its members.

Sec. 5. The governing body of the said United States Power Squadrons shall consist of a governing board composed of citizens of the United States. The number, qualifications, and terms of office of members of the governing board shall be prescribed by the constitution and bylaws. The persons referred to in the first section of this act shall constitute the first governing board and shall serve until their successors are elected and have qualified. Vacancies in the governing board shall be filled by a majority vote of those members present at any meeting of the governing board. The constitution and bylaws may prescribe the number of members of the governing board necessary to constitute a quorum of the board, which number may be less than a majority of the whole number of the board. The governing board shall have power to make and amend the constitution and bylaws and, by a two-thirds vote of the whole board at a meeting called for this purpose, may authorize and cause to be executed mortgages and liens upon the property of the corporation. The governing board shall have the



power to establish local squadrons and to provide for the regulation of the establishment, management, and policies thereof. The governing board, by resolution passed by a majority of those members present at any meeting of the board, may appoint standing committees, and such standing committees shall have and may exercise such powers as shall be conferred or authorized by the constitution and bylaws. With the consent in writing and pursuant to an affirmative vote of a majority of the whole governing board, that board shall have authority to dispose in any manner of the whole property of the corporate body.

Sec. 6. An annual meeting of the members of said corporate body shall be held once in every year after the year of incorporation, at such time and place as shall be prescribed in the constitution and bylaws, when the annual reports of the officers and governing board shall be presented and members of the governing board elected for the ensuing year. Special meetings of the corporate body may be called upon such notice as may be prescribed by the bylaws. The number of members which shall constitute a quorum at any annual or special meeting shall be prescribed in the bylaws. The members and the governing board shall have power to hold their meetings and keep the seal, books, documents, and papers of the corporate body within or without the District of Columbia.

Sec. 7. Said corporate body shall have the sole and exclusive right to have and to use, in carrying out its purposes, an ensign, flags, emblems, badges, designating marks, and certificates, now or heretofore used by the United States Power Squadrons, Inc., and the right to promulgate rules for etiquette and custom of yachting and flags for yachts, it being distinctly and definitely understood, however, that nothing in this act shall interfere or conflict with established or vested rights.

Sec. 8. Said corporation may be loaned material and services of personnel by either, or all, of the Secretary of the Treasury, the Secretary of the Navy, and the Secretary of Commerce, provided such be considered desirable by the Secretary of the lending Department. Each of said Secretaries may also in his discretion invite on ships of his Department qualified members of said corporate body for familiarizing said members with custom and practice aboard such ships.

Sec. 9. On or before the 1st day of April of each year the hereby incorporated United States Power Squadrons shall make and transmit to the Congress a report of its proceedings for the year ended December 31 preceding, including a full, complete, and itemized report of receipts and expenditures, of whatever kind.

Sec. 10. The Congress shall have the right to repeal, alter, or amend this act at any time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

#### MOUNT OLIVET CEMETERY

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 10004) to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia," and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Maryland calls up the bill H. R. 10004, and asks unanimous consent that it be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia," approved on the 10th day of June 1862 (12 Stat. L. 426), be, and the same is hereby, amended by adding at the end of section 3 of the said act of the 10th day of June 1862 the following: "That notwithstanding the provisions of the act of March 3, 1903 (32 Stat. 961), the land of said corporation dedicated to the purposes of a cemetery shall be exempt from assessments for public improvements, so long as the land is devoted to cemetery purposes, and all such assessments heretofore levied, now pending, or hereafter levied, are declared void."

Mr. COLE of New York. Mr. Speaker, will the gentleman from Maryland please explain the bill?

Mr. PALMISANO. Mr. Speaker, this is a bill to amend the charter of Mount Olivet Cemetery. Mount Olivet Cemetery was incorporated in 1862. When it obtained the charter from Congress, it was exempt from taxation of any kind. In later years it was held that "taxes of any kind" did not include assessments for benefits. They are now attempting to tax the cemetery for some benefits, which the cemetery claims it does not receive. This bill is to correct that situation and place in the bill the original exemption that was included in 1862.

Mr. COLE of New York. Mr. Speaker, I move to strike out the last word. I take this time to call the attention of the House to the fact that when we pass this bill we are establishing a precedent. The bill itself stipulates that Mount Olivet Cemetery may not be required to pay any taxes by way of special assessments. Heretofore and at the present time all charitable organizations in the District of Columbia, including churches, universities, cemeteries, and social clubs, are required to pay special assessments, and this bill would exempt from that requirement the one cemetery, Mount Olivet. If we exempt this cemetery from the payment of special assessments, then we must also expect to exempt every other cemetery in the District, all churches in the District, all educational institutions in the District, and all other charitable organizations, of whatever kind. It is up to the House to do as it wishes, of course, but I could not let the bill be passed without making this explanation.

Mr. PALMISANO. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. Yes.

Mr. PALMISANO. The gentleman realizes that in the charter of the Oak Hill Cemetery there is the word "assessments" and in the charter of Mount Olivet Cemetery in 1862, it was thought that when they included "all taxes of any kind" it would include assessments. They now find that they were in error and they are just trying to correct that to comply with the same provision with respect to Oak Hill Cemetery.

Mr. COLE of New York. Mr. Speaker, I do not agree with the gentleman at all that Oak Hill Cemetery is an exception of the rule that all charitable associations pay the special assessments for street improvement. Oak Hill Cemetery was incorporated in 1849 and in its charter there was provision that that cemetery should not pay special assessments. Along about 1904 the Congress passed an act providing that no charitable organization, church, cemetery, or whatever it may be, should be exempt from special assessments. Of course, having put that exemption in the charter of Oak Hill Cemetery, it could not repeal it by act of Congress. Consequently Oak Hill Cemetery is not an exception from the rule at all. In fact, if there is any exception from the rule it is that all cemeteries are required to pay the tax on special assessment, and, for my part, I can see no reason why we should single out cemeteries as a class, to say nothing of singling out one cemetery from that whole class and saying that that cemetery need not be required to pay these special assessments. Here we are year after year spending the time of Congress trying to find funds to run the District and at the same time extending exemptions from the payment of taxes.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### MINIMUM WAGE BOARD, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 10312) to amend section 3 of the act entitled "An act to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a Minimum Wage Board, and to define its powers and duties, and to provide for the fixing of minimum wages for such workers, and for other purposes", approved September 19, 1918 (40 Stat. 960, 65th Cong.), and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That section 3 of the act entitled "An act to protect the lives and health and morals of women and minor workers in the District of Columbia, and to establish a Minimum Wage Board, and to define its powers and duties, and to provide for the fixing of minimum wages for such workers, and for other

purposes", approved September 19, 1913 (40 Stat. 960, 65th Cong.), be amended by striking out the words "and receive such salary, not in excess of \$2,500 per annum, as may be fixed by the Board," and inserting in lieu thereof "The compensation of the Secretary and all other employees of the Board shall be fixed in accordance with the provisions of the Classification Act of 1923, as amended."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### ALCOHOLIC BEVERAGE CONTROL ACT, DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 9417) to amend the District of Columbia Alcoholic Beverage Control Act and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read as follows:

*Be it enacted, etc.,* That subsection (g) of section 11 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended as follows:

In the second paragraph of said subsection strike out the words "\$20 per annum" and insert in lieu thereof "\$10 per annum: *Provided*, That such a license may be issued to any company engaged in interstate commerce covering all dining, club, and lounge cars operated by such company on railroads within the District of Columbia upon the payment of an annual fee of \$60."

Sec. 2. That subsection (h) of section 11 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended as follows:

Change the period to a colon at the end of the second paragraph of said subsection and add the following: "*Provided*, That such a license may be issued to any company engaged in interstate commerce covering all dining, club, and lounge cars operated by such company on railroads within the District of Columbia upon the payment of an annual fee of \$30."

Sec. 3. That subsection (d) of section 14 of the District of Columbia Alcoholic Beverage Control Act, as amended, is hereby amended as follows:

Change the period to a comma at the end of the first sentence of said subsection ending with the word "business" and insert the following: "except that a company engaged in interstate commerce may file one application for a license for the operation thereunder of all of its dining, club, and lounge cars operated on railroads within the District of Columbia."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### INDEPENDENT OFFICES APPROPRIATION BILL, 1939—CONFERENCE REPORT

Mr. WOODRUM, from the Committee on Appropriations, presented a conference report and statement for printing under the rule.

#### CALL OF THE HOUSE

Mr. LORD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from New York makes the point of order that a quorum is not present. Evidently a quorum is not present.

Mr. WOODRUM. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 61]

Allen, Del.	Costello	Fish	Jarman
Andrews	Crosby	Flannagan	Jarrett
Arnold	Culkin	Flannery	Jenckes, Ind.
Barry	Curley	Fleger	Kennedy, N. Y.
Bell	Delaney	Gavagan	Keogh
Blermann	Dempsey	Gingery	Kirwan
Boland, Pa.	Dingell	Gray Ind.	Kopplemann
Boykin	Dirksen	Gray, Pa.	Kvale
Boylan, N. Y.	Disney	Green	Lambertson
Buckley, N. Y.	Ditter	Griffith	Lea
Bulwinkle	Dockweiler	Griswold	Lemke
Burdick	Douglas	Halleck	Lesinski
Caldwell	Drewry, Va.	Hamilton	Lucas
Cannon, Wis.	Eaton	Harlan	McAndrews
Celler	Edmiston	Hartley	McCiellian
Champion	Englebright	Hendricks	McGranery
Cole, Md.	Ferguson	Hennings	McGroarty
Cooley	Fernandez	Izac	McSweeney

Maloney	Patman	Schulte	Taylor, S. C.
Mansfield	Patrick	Scott	Thom
Mead	Peterson, Fla.	Shafer, Mich.	Thomas, Tex.
Merritt	Poage	Shovich	Thurston
Moser, Pa.	Quinn	Smith, Maine	Tinkham
Mosler, Ohio	Ramsay	Smith, Okla.	Walter
Mouton	Rankin	Somers, N. Y.	Wearin
Murdock, Utah	Reece, Tenn.	Stack	Weaver
Norton	Richards	Starnes	Welch
O'Connell, Mont.	Robertson	Steagall	Whelchel
O'Connell, R. I.	Sabath	Sullivan	White, Ohio
O'Connor, Mont.	Sacks	Summers, Tex.	Wilcox
O'Malley	Sadowski	Sweeney	Wood
O'Neal, Ky.	Schuetz	Taylor, Colo.	Woodruff

The SPEAKER. On this roll call 300 Members have answered to their names, a quorum.

Mr. WOODRUM. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

#### MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—TERMINATION OF TAX EXEMPTION (H. DOC. NO. 603)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Ways and Means and ordered printed:

#### To the Congress of the United States:

The sixteenth amendment to the Constitution of the United States, approved in 1913, expressly authorized the Congress "to lay and collect taxes on incomes, from whatever source derived." That is plain language. Fairly construed, this language would seem to authorize taxation of income derived from State and municipal as well as Federal bonds, and also income derived from State and municipal as well as Federal offices.

This seemingly obvious construction of the sixteenth amendment, however, was not followed in judicial decisions by the courts. Instead a policy of reciprocal tax immunity was read into the sixteenth amendment. This resulted in exempting the income from Federal bonds from State taxation and exempting the income from State bonds from Federal taxation.

Whatever advantages this reciprocal immunity may have had in the early days of this Nation have long ago disappeared. Today it has created a vast reservoir of tax-exempt securities in the hands of the very persons who equitably should not be relieved of taxes on their income. This reservoir now constitutes a serious menace to the fiscal systems of both the States and the Nation, because for years both the Federal Government and the States have come to rely increasingly upon graduated income taxes for their revenues.

Both the States and the Nation are deprived of revenues which could be raised from those best able to supply them. Neither the Federal Government nor the States receive any adequate, compensating advantage for the reciprocal tax immunity accorded to income derived from their respective obligations and offices.

A similar problem is created by the exemption from State or Federal taxation of a great army of State and Federal officers and employees. The number of persons on the pay rolls of both State and Federal Governments has increased in recent years. Tax exemptions claimed by such officers and employees—once an inequity of relatively slight importance—have become a most serious defect in the fiscal systems of the States and the Nation, for they rely increasingly upon graduated income taxes for their revenues.

It is difficult to defend today the continuation of either of these rapidly expanding areas of tax exemption. Fundamentally our tax laws are intended to apply to all citizens equally. That does not mean that the same rate of income tax should apply to the very rich man and to the very poor man. Long ago the United States, through the Congress, accepted the principle that citizens should pay in accordance with their ability to pay, and that identical tax rates on the rich and on the poor actually worked an injustice to the poor. Hence the origin of progressive surtaxes on personal income as the individual personal income increases.



Tax exemptions through the ownership of government securities of many kinds—Federal, State, and local—have operated against the fair or effective collection of progressive surtaxes. Indeed, I think it is fair to say that these exemptions have violated the spirit of the tax law itself by actually giving a greater advantage to those with large incomes than to those with small incomes.

Men with great means best able to assume business risks have been encouraged to lock up substantial portions of their funds in tax-exempt securities. Men with little means who should be encouraged to hold the secure obligations of the Federal and State governments have been obliged to pay a relatively higher price for those securities than the very rich because the tax immunity is of much less value to them than to those whose incomes fall in the higher brackets.

For more than 20 years Secretaries of the Treasury have reported to the Congress the growing evils of these tax exemptions. Economists generally have regarded them as wholly inconsistent with any rational system of progressive taxation.

Therefore, I lay before the Congress the statement that a fair and effective progressive income tax and a huge perpetual reserve of tax-exempt bonds cannot exist side by side.

The desirability of this recommendation has been apparent for some time but heretofore it has been assumed that the Congress was obliged to wait upon that cumbersome and uncertain remedy—a constitutional amendment—before taking action. Today, however, expressions in recent judicial opinions lead us to hope that the assumptions underlying these doctrines are being questioned by the court itself and that these tax immunities are not inexorable requirements under the Constitution itself but are the result of judicial decision. Therefore, it is not unreasonable to hope that judicial decision may find it possible to correct it. The doctrine was originally evolved out of a totally different set of economic circumstances from those which now exist. It is a familiar principle of law that decisions lose their binding force when the reasons supporting them no longer are pertinent.

I, therefore, recommend to the Congress that effective action be promptly taken to terminate these tax exemptions for the future. The legislation should confer the same powers on the States with respect to the taxation of Federal bonds hereafter issued as is granted to the Federal Government with respect to State and municipal bonds hereafter issued.

The same principles of just taxation apply to tax exemptions of official salaries. The Federal Government does not now levy income taxes on the hundreds of thousands of State, county, and municipal employees. Nor do the States, under existing decisions, levy income taxes on the salaries of the hundreds of thousands of Federal employees. Justice in a great democracy should treat those who earn their livelihood from Government in the same way as it treats those who earn their livelihood in private employ.

I recommend, therefore, that the Congress enact legislation ending tax exemption on Government salaries of all kinds, conferring powers on the States with respect to Federal salaries and powers to the Federal Government with respect to State and local government salaries.

Such legislation can, I believe, be enacted by a short and simple statute. It would subject all future State and local bonds to existing Federal taxes; and it would confer similar powers on States in relation to future Federal issues.

At the same time, such a statute would subject State and local employees to existing Federal income taxes; and confer on the States the equivalent power to tax the salaries of Federal employees.

The ending of tax exemption, be it of Government securities or of Government salaries, is a matter not of politics, but of principle.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 25, 1938.

#### INDEPENDENT OFFICES APPROPRIATION BILL, 1939

Mr. WOODRUM. Mr. Speaker, I call up the conference report on the bill (H. R. 8837) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1939.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

#### CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 24, 26, 27, 28, and 37, to the bill (H. R. 8837) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1939, and for other purposes, having met, after full and free conference, have been unable to agree.

C. A. WOODRUM,  
JED JOHNSON,  
JAMES M. FITZPATRICK,  
GEO. W. JOHNSON,  
JOHN M. HOUSTON,  
R. B. WIGGLESWORTH,  
EVERETT M. DIRKSEN,

Managers on the part of the House.

CARTER GLASS,  
JAMES F. BYRNES,  
RICHARD B. RUSSELL, Jr.,  
FREDERICK HALE,

Managers on the part of the Senate.

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 24, 26, 27, 28, and 37 to the bill (H. R. 8837) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1939, and for other purposes, have been unable to agree. The amendments in controversy are as follows:

No. 24: Relating to Presidential appointment and Senate confirmation of experts and attorneys of the Social Security Board receiving salaries of \$5,000 or more per annum.

Nos. 26 and 27: Relating to construction of the Gilbertsville Dam under the Tennessee Valley Authority.

No. 28: Relating to the use of oleomargarine or butter substitutes (except for cooking purposes) by the Veterans' Administration.

No. 37: Relating to Presidential appointment and Senate confirmation of certain experts or attorneys receiving compensation of \$5,000 or more per annum under appropriations made in the bill or authorized thereby to be expended.

C. A. WOODRUM,  
JED JOHNSON,  
JAMES M. FITZPATRICK,  
GEO. W. JOHNSON,  
JOHN M. HOUSTON,  
R. B. WIGGLESWORTH,  
EVERETT M. DIRKSEN,

Managers on the part of the House.

Mr. WOODRUM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOODRUM. The RECORD should show that the Senate recently receded from its insistence on amendment No. 28, the so-called oleomargarine amendment.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 24: Page 42, line 11, after the word "graph", insert "Provided further, That none of the funds herein appropriated under the heading 'Social Security Board' shall be used to pay the salary of any expert or attorney receiving compensation of \$5,000 or more per annum unless and until such expert or attorney shall be appointed by the President, by and with the advice and consent of the Senate."

Mr. WOODRUM. Mr. Speaker, amendment No. 37 which is also in dispute relates to the same matter. I ask unanimous consent that amendment No. 37 may be reported, and that both amendments may be considered together.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read as follows:

Amendment No. 37: Page 68, after line 12, insert a new section, as follows:

"Sec. 6. No part of any appropriation contained in this act or authorized hereby to be expended shall be used to pay the compensation of any experts or attorneys under any independent establishment, except the Tennessee Valley Authority, of the Government of the United States (except persons now in the employ of the Government and persons heretofore or hereafter appointed under the civil-service laws), the rate of which is \$5,000 or more per annum, who shall not have been appointed by the President, by and with the advice and consent of the Senate."

Mr. WOODRUM. Mr. Speaker, I move that the House further insist upon its disagreement to amendments of the Senate Nos. 24 and 37; and on this motion I ask very brief recognition.

The SPEAKER. The gentleman from Virginia is recognized on his motion.

Mr. WOODRUM. Mr. Speaker, the question involved in these two amendments which are in disagreement between the two Houses we have considered many times and debated. It is a question of whether or not the other body shall have the right to confirm all positions paying over \$5,000 in the Federal service.

I do not think it is necessary to consume further time. I believe and I hope the House will continue to insist upon its disagreement to writing this fundamental principle into law.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 26: Page 46, line 15, after "Hiwassee Dam", insert "and for construction of a dam at or near Gilbertsville, Ky."

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that amendment No. 27 may be read and considered with amendment 26, because they both relate to the same proposition.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read as follows:

Amendment No. 27: Page 47, line 5, strike out "\$37,237,000" and insert "\$40,000,000."

Mr. WOODRUM. Mr. Speaker, I move that the House recede and concur in the Senate amendment, and I ask for brief recognition.

Mr. Speaker, I shall not debate these two amendments but will merely make a brief statement in order that the membership will understand upon what it is voting.

In the appropriation for the Tennessee Valley Authority there was included in the Budget estimate an amount of \$2,613,000 to begin construction of a dam at Gilbertsville. There were also included estimates for chemical engineering research of \$100,000 and for experimentation on fertilizer, \$50,000. The House Committee on Appropriations deleted the amount for the Gilbertsville Dam in its entirety. It reduced the amount for study on chemical engineering \$100,000 and for soil erosion \$50,000. Those items were inserted in the Senate and are the two Senate amendments which are now in disagreement as between the two Houses. I may say further there was a roll call in the House by which the House by a majority of 25 or 30 votes refused to accept the Senate amendment. The motion which I have made, if agreed to by the House, will accept the Senate amendments in those particulars.

Mr. FULLER. Will the gentleman yield?

Mr. WOODRUM. Mr. Speaker, I move the previous question.

Mr. FULLER. Is the gentleman going to come in here without giving us a chance to ask questions about this matter?

The question was taken; and on a division there were—ayes 93, noes 83.

So the previous question was ordered.

Mr. COCHRAN. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count.

Mr. COCHRAN. Mr. Speaker, I withdraw the point of order.

The SPEAKER. The question is on the motion of the gentleman from Virginia that the House recede and concur in the Senate amendments.

The question was taken; and on a division (demanded by Mr. WOODRUM) there were—ayes 111, noes 101.

Mr. MAY. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 159, nays 152, not voting 117, as follows:

[Roll No. 62]  
YEAS—159

Allen, La.	Dunn	Kerr	Rankin
Amble	Eberharter	Kirwan	Rayburn
Anderson, Mo.	Eckert	Kociakowski	Reilly
Atkinson	Elcher	Kramer	Rigney
Belter	Elliott	Leavy	Robinson, Utah
Bernard	Fitzpatrick	Lemke	Rogers, Okla.
Bigelow	Fannagan	Lewis, Colo.	Romjue
Binderup	Fieger	Lewis, Md.	Sanders
Bland	Fletcher	Luckey, Nebr.	Sauthoff
Boileau	Ford, Calif.	Luecke, Mich.	Schneider, Wis.
Boren	Ford, Miss.	McFarlane	Scrugham
Brooks	Fulmer	McGehee	Secrest
Brown	Gambrill, Md.	McGrath	Shanley
Buck	Garrett	McReynolds	Sheppard
Buckler, Minn.	Gasque	Magnuson	Smith, Wash.
Burdick	Gehrman	Mahon, S. C.	Snyder, Pa.
Byrne	Gildea	Mahon, Tex.	Sparkman
Cannon, Mo.	Goldsborough	Martin, Colo.	Spence
Cartwright	Greever	Massingale	Stefan
Chandler	Gregory	Maverick	Taylor, Colo.
Chapman	Griffith	Mitchell, Tenn.	Taylor, Tenn.
Clark, Idaho	Haines	Murdock, Ariz.	Teigan
Coffee, Wash.	Havener	Murdock, Utah	Thomas, Tex.
Collins	Healey	Nelson	Thomason, Tex.
Colmer	Hildebrandt	O'Brien, Mich.	Tolan
Connery	Hill	O'Connell, Mont.	Turner
Cooper	Hobbs	O'Day	Vincent, B. M.
Creal	Honeyman	Oliver	Vinson, Fred M.
Crosser	Hull	O'Malley	Vinson, Ga.
Crowe	Hunter	Pace	Voorhis
Cullen	Jacobsen	Palmisano	Wallgren
Cummings	Johnson, Luther A.	Patman	Warren
Daly	Johnson, L. B.	Patton	Wene
Delaney	Johnson, Minn.	Pearson	White, Idaho
Dempsey	Johnson, Okla.	Pfeiffer	Whittington
DeRouen	Jones	Phillips	Williams
Dixon	Kee	Pierce	Withrow
Doughton	Keller	Quinn	Woodrum
Doxey	Kelly, N. Y.	Ramspeck	Zimmerman
Duncan	Kennedy, Md.	Randolph	

NAYS—152

Aleshire	Crawford	Hancock, N. C.	McLean
Allen, Ill.	Crowther	Hart	Maas
Allen, Pa.	Culkin	Harter	Mansfield
Andresen, Minn.	DeMuth	Hoffman	Mapes
Arends	Dickstein	Holmes	Martin, Mass.
Ashbrook	Dies	Hook	Mason
Bacon	Dondero	Hope	May
Barden	Dorsey	Houston	Mceks
Barton	Dowell	Imhoff	Michener
Bates	Drew, Pa.	Jenkins, Ohio	Mills
Beam	Eaton	Jenks, N. H.	Mott
Boehne	Engel	Johnson, W. Va.	Nichols
Boyer	Englebright	Kelly, Ill.	O'Brien, Ill.
Bradley	Evans	Kinzer	O'Leary
Brewster	Faddis	Kitchens	O'Neill, N. J.
Carlson	Farley	Kieberg	O'Toole
Carter	Fitzgerald	Kniffin	Owen
Case, S. Dak.	Flaherty	Knutson	Parsons
Casey, Mass.	Forand	Lambeth	Patterson
Church	Frey, Pa.	Lamneck	Peterson, Ga.
Clark, N. C.	Fries, Ill.	Lanham	Pettengill
Clason	Fuller	Lanzetta	Plumley
Claypool	Gamble, N. Y.	Larrabee	Polk
Cluett	Gearhart	Lord	Powers
Cochran	Gilchrist	Luce	Rabaut
Coffee, Nebr.	Greenwood	Ludlow	Reed, Ill.
Cole, N. Y.	Guyer	McCormack	Reed, N. Y.
Cox	Gwynne	McKeough	Rees, Kans.
Cravens	Hancock, N. Y.	McLaughlin	Rich



Robston, Ky.	Short	Swope	Treadway
Rockefeller	Simpson	Taber	Umstead
Rogers, Mass.	Smith, Conn.	Tarver	Wadsworth
Rutherford	Smith, Maine	Terry	West
Ryan	Smith, Va.	Thomas, N. J.	Wigglesworth
Satterfield	Smith, W. Va.	Thompson, Ill.	Wolcott
Schaefer, Ill.	Snell	Tobey	Wolfenden
Seger	South	Towey	Wolverton
Shafer, Mich.	Sutphin	Transue	Woodruff

## NOT VOTING—117

Allen, Del.	Drewry, Va.	Lea	Sacks
Andrews	Driver	Lesinski	Sadowski
Arnold	Edmiston	Long	Schuetz
Barry	Ferguson	Lucas	Schulte
Bell	Fernandez	McAndrews	Scott
Biermann	Fish	McClellan	Shannon
Bloom	Flannery	McGranery	Sirovich
Boland, Pa.	Gavagan	McGroarty	Smith, Okla.
Boykin	Gifford	McMillan	Somers, N. Y.
Boylan, N. Y.	Gingery	McSweeney	Stack
Buckley, N. Y.	Gray, Ind.	Maloney	Starnes
Bulwinkle	Gray, Pa.	Mead	Steagall
Burch	Green	Merritt	Sullivan
Caldwell	Griswold	Mitchell, Ill.	Summers, Tex.
Cannon, Wis.	Halleck	Moser, Pa.	Sweeney
Celler	Hamilton	Mosier, Ohio	Taylor, S. C.
Champion	Harlan	Mouton	Thom
Citron	Harrington	Norton	Thurston
Cole, Md.	Hartley	O'Connell, R. I.	Tinkham
Cooley	Hendricks	O'Connor, Mont.	Walter
Costello	Hennings	O'Connor, N. Y.	Wearin
Crosby	Izac	O'Neal, Ky.	Weaver
Curley	Jarman	Patrick	Welch
Deen	Jarrett	Peterson, Fla.	Whelchel
Dingell	Jenckes, Ind.	Poage	White, Ohio
Dirksen	Kennedy, N. Y.	Ramsay	Wilcox
Disney	Keogh	Reece, Tenn.	Wood
Ditter	Kopplemann	Richards	
Dockweiler	Kvale	Robertson	
Douglas	Lambertson	Sabath	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Reece of Tennessee (for) with Mr. Griswold (against).  
 Mr. Starnes (for) with Mr. Halleck (against).  
 Mr. Izac (for) with Mr. Jarrett (against).  
 Mr. Moser of Pennsylvania (for) with Mr. White of Ohio (against).  
 Mr. Patrick (for) with Mr. Fish (against).  
 Mr. Jarman (for) with Mr. Lambertson (against).  
 Mr. Wearin (for) with Mr. Ditter (against).

General pairs:

Mr. McMillan with Mr. Hartley.  
 Mr. Sullivan with Mr. Gifford.  
 Mr. O'Connor of New York with Mr. Dirksen.  
 Mr. Robertson with Mr. Tinkham.  
 Mr. Boland of Pennsylvania with Mr. Douglas.  
 Mr. Drewry of Virginia with Mr. Welch.  
 Mr. Burch with Mr. Andrews.  
 Mr. Cooley with Mr. Kvale.  
 Mr. Gavagan with Mr. Mitchell of Illinois.  
 Mr. Driver with Mr. Scott.  
 Mr. Sweeney with Mr. Biermann.  
 Mr. Deen with Mr. Buckley of New York.  
 Mr. Keogh with Mr. Whelchel.  
 Mr. McAndrews with Mr. Fernandez.  
 Mr. Gray of Pennsylvania with Mr. Somers of New York.  
 Mr. Arnold with Mr. Bell.  
 Mr. Schulte with Mr. Lea.  
 Mr. McGranery with Mr. Champion.  
 Mr. Walter with Mr. Merritt.  
 Mr. Curley with Mr. Peterson of Florida.  
 Mr. Taylor of South Carolina with Mr. Mead.  
 Mr. Lucas with Mr. Dockweiler.  
 Mr. Mouton with Mr. Poage.  
 Mr. Hamilton with Mr. Schuetz.  
 Mr. Stack with Mr. Harrington.  
 Mr. Long with Mr. McClellan.  
 Mr. Bulwinkle with Mrs. Norton.  
 Mr. O'Connor of Montana with Mr. Wood.  
 Mr. Gingery with Mr. O'Neal of Kentucky.  
 Mr. Allen of Delaware with Mr. Hendricks.  
 Mr. Shannon with Mrs. Jenckes of Indiana.  
 Mr. Bloom with Mr. Cannon of Wisconsin.  
 Mr. Maloney with Mr. Thom.  
 Mr. Crosby with Mr. Ferguson.  
 Mr. Richards with Mr. Sabath.  
 Mr. Green with Mr. Barry.  
 Mr. Steagall with Mr. Boylan of New York.  
 Mr. Summers of Texas with Mr. Smith of Oklahoma.  
 Mr. Cole of Maryland with Mr. O'Connell of Rhode Island.  
 Mr. Flannery with Mr. Weaver.  
 Mr. Sirovich with Mr. Caldwell.  
 Mr. Kennedy of New York with Mr. McSweeney.  
 Mr. Boykin with Mr. Celler.  
 Mr. Mosier of Ohio with Mr. Costello.  
 Mr. Harlan with Mr. Disney.  
 Mr. Edmiston with Mr. Gray of Indiana.  
 Mr. Ramsay with Mr. Sacks.  
 Mr. Hennings with Mr. Sadowski.  
 Mr. Lesinski with Mr. Kopplemann.

Mr. SNELL. Mr. Speaker, may I ask how the gentleman from Vermont, Mr. PLUMLEY, is recorded? His name was called a second time.

The SPEAKER. The gentleman from Vermont is not recorded.

The result of the vote was announced as above recorded.

On motion of Mr. WOODRUM, a motion to reconsider was laid on the table.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the conference asked by the Senate on the remaining amendments in disagreement be agreed to by the House.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WOODRUM, JOHNSON of Oklahoma, FITZPATRICK, JOHNSON of West Virginia, HOUSTON, WIGGLESWORTH, and DIRKSEN.

## EXTENSION OF REMARKS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a list of public-works projects pending in the W. P. A.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the T. V. A.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

## CORRECTION OF ROLL CALL

Mr. PLUMLEY. Mr. Speaker, on this last roll call I was present and voted "nay." I understand I was not recorded, but gentlemen here heard me answer "nay." I ask unanimous consent that the RECORD and Journal may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1882) entitled "An act for the relief of the Consolidated Aircraft Corporation."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 1948) entitled "An act conferring jurisdiction upon the United States District Court for the District of Massachusetts to hear, determine, and render judgment upon the claims of certain property holders within the Old Harbor Village area of Boston, Mass.," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BROWN of Michigan, Mr. ELLENDER, and Mr. WHITE to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2191) entitled "An act for the relief of Roberta Carr," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUGHES, Mr. SCHWARTZ, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2362) entitled "An act for the relief of Henry M. Hyer," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LOGAN, Mr. BURKE, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 2665) entitled "An act for the relief of W. D. Presley," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr.

LOGAN, Mr. BURKE, and Mr. CAPPER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 6618) entitled "An act for the relief of Miriam Grant," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HUGHES, Mr. SCHWARTZ, and Mr. TOWNSEND to be the conferees on the part of the Senate.

#### OFFICERS OF THE LINE OF THE NAVY

Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 463, from the Committee on Rules, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

#### House Resolution 463

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 9997, a bill to regulate the distribution, promotion, and retirement of officers of the line of the Navy, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. GREENWOOD. Mr. Speaker, House Resolution 463 is a rule for the consideration of the bill (H. R. 9997) to regulate the distribution, promotion, and retirement of officers of the line of the Navy, and for other purposes, which comes by unanimous report from the Committee on Naval Affairs. Without knowing very much about the merits of the bill, I am not going to take time to discuss it but will simply say that, there being a unanimous report from the Committee on Naval Affairs, the Committee on Rules held a hearing and granted the proposal for a rule. This is an open rule, providing for amendment in the regular way and providing for 2 hours of general debate. The Committee on Rules is of the opinion that the rule providing for the consideration of this bill should be agreed to.

Does the gentleman from Massachusetts desire any time?

Mr. MARTIN of Massachusetts. No; I have no requests for time now. We shall be pleased to have the rule adopted.

Mr. GREENWOOD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 9997) to regulate the distribution, promotion, and retirement of officers of the line of the Navy, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9997, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, by this bill it is sought to establish the merit system for promotion of officers of the line of the Navy and officers of the Marine Corps.

This bill does not deal with the staff officers. They will be dealt with later on in a separate bill.

The number of officers of the line of the Navy is based upon the authorized enlisted strength of the Navy that is fixed by law at 137,485 men. Under the law today the officer strength of the Navy is 4¾ percent of this authorized

enlisted strength which limits the total number of line officers to 6,531.

By this proposed legislation the officer strength is increased to 6 percent of the authorized enlisted strength, which will give 8,249 officers, or an increase in the authorized officer strength of 1,718 officers.

You should bear in mind that it will take 10 or 12 years to acquire these additional officers. When it requires 4 years' training at the Naval Academy before a midshipman can become an officer we can readily see that it will require years to build up to this new strength.

Under the law today officers are distributed in the proportion of 1 in the grade of rear admiral to 4 in the grade of captain to 8 in the grade of commander to 15 in the grade of lieutenant commander to 30 in the grade of lieutenant to 42 in the grades of lieutenant (junior grade), and ensign. This bill maintains the same percentage distribution by grades. Existing law permits the maximum number in each grade as follows:

	Percent	Maximum of
Admirals.....	1	58
Captains.....	4	240
Commanders.....	8	515
Lieutenant commanders.....	15	1,015
Lieutenants.....	30	1,959
Lieutenants (junior grade) and ensigns.....	42	2,743
Total.....		6,531

In this bill the maximum number that is allowed in each grade is as follows:

	Percent	Maximum of
Admirals.....	1	70
Captains.....	4	330
Commanders.....	8	660
Lieutenant commanders.....	15	1,237
Lieutenants.....	30	2,475
Lieutenants (junior grade) and ensigns.....	42	3,477
Total.....		8,249

It should be borne in mind that the percentages of officers in each grade is the same as in the present law, but with an increase of 1,718 officers it naturally follows that there are more officers in each grade than under the present law.

The selective system for the promotion of officers has been in operation in the Navy since 1916. While there has been considerable criticism as to the operation of this system, nevertheless, it is without doubt the best and most effective method for promotion to maintain the highest standard of efficiency for the Navy.

The proposed bill is patterned on the same line as the law of 1916; however, it is more liberal in a great many respects, and in the opinion of every officer that has testified before the committee is a decided improvement over the present selection law.

This bill provides for a continuation of the present law for the selection of the best fitted officers for promotion from grade to grade, to fill vacancies in the next higher grades. Under existing law many capable officers fitted for promotion are forced to retire after a prescribed number of years of commissioned service because there are not a sufficient number of vacancies to take care of all of them. By the terms of this bill all officers adjudged fitted for promotion, are placed on a promotion list and are promoted to the next higher grade in their regular turn.

Thus, instead of being forced to retire and the Navy losing their services, many competent officers are retained on the active list and on active duty for several more years.

The bill provides that the Secretary of the Navy shall annually appoint a board of nine admirals to consider the cases of captains, commanders, and lieutenant commanders,



and a board of nine captains to consider the cases of lieutenants and lieutenant, junior grade. These boards determine from the records of the officers which ones, in their judgment, should be promoted to the next higher grade as the best fitted.

This is carrying out the same principle as the present law; however, the board is required to make its report to the Secretary pointing out in the results why this or that officer was selected and why this or that officer was not selected. This report is confidential and is only available to the officer concerned. The committee did not think it proper that the reasons why an officer was not promoted should become public property. Therefore it makes it a confidential report between the selection board and the Secretary of the Navy.

This is considered to be an improvement of the present law as under the law today the board is not required to make any statement as to why it selected or failed to select this or that officer.

The selection board is required to recommend first the officers that are best fitted. They then are placed upon a promotion list and when vacancies occur in the rank to which they have been selected they are commissioned in that rank according to their place on the promotion list.

Officers that are not classed as best fitted the first time they are considered stay in their respective grades until the subsequent year and then the selection board will consider those officers to determine if they should be promoted as best fitted or fitted.

If officers are not classed as best fitted after they have had their names before the selection board twice, they can be promoted as fitted and they then go to the next higher rank as a fitted officer.

Now, having been promoted as a fitted officer, he is eligible for selection as a best-fitted officer when his group again comes up for selection to the next higher grade.

Then, if he is not selected as a best-fitted officer by two successive boards, he becomes ineligible for further consideration.

However, he will remain in his grade if he has a rank of lieutenant commander until he has served 26 years; if a commander, until he has 28 years; and, if a captain, 30 years.

In other words, every officer in the Navy, before he is put upon the retired list, goes before a selection board twice, and the board is composed of separate officers on each occasion.

This is considered a great improvement over the present law. It has the objective of retaining officers who are fitted, even though they are not the best fitted.

In other words, it insures an officer of a career if he is classed as a fitted officer.

Now, if the selection board does not classify him as best fitted or fitted, he goes out of the service, is placed upon the retired list in accordance with the present rate of pay, which is  $2\frac{1}{2}$  percent for each year of commissioned service, not to exceed 75 percent of his active-duty pay.

Lieutenants retire with \$1,008 per annum. Lieutenant commanders retire with \$2,126.25 per annum. Commanders retire with \$3,552.50 per annum. Captains retire with \$4,500 per annum.

The bill further provides that if a junior lieutenant is not selected he goes out with 1 year's pay.

The principle of fitted is not carried in the lower rank of junior lieutenant.

If a junior lieutenant is not classed as best fitted by two successive selection boards he is dropped from the service with 1 year's pay of approximately \$2,200.

The principle of fitted is not carried in the rank of captain, as we do not want any fitted admirals. When a man gets to be an admiral we want him to be the best fitted.

However, there is a provision in the bill which permits the Secretary of the Navy to retain a captain for a period of 5 years, even though he has not been selected as best fitted, if his services are required.

The principle of selection extends through the rank of admiral.

There is a board consisting of the Chief of Naval Operations, the Commander in Chief of the United States Fleet, and the commander of the Battle Force appointed by the Secretary to recommend the retirement of rear admirals every year to bring the total separations to eight when the normal attrition does not exceed that number of admirals a year.

Now, an admiral goes out only after he has reached the age of 64 or by becoming physically incapacitated. So you can see that the principle of selection runs through every rank of the Navy except the rank of ensign.

The law provides that an ensign stays in that grade for 3 years, then he is automatically made a junior lieutenant. He then stays in that grade 3 years, making a total commissioned service of 6 years, before he is eligible for selection to the rank of lieutenant. As previously stated, if he is not selected, he goes out with 1 year's pay.

This bill gives a 7-year probationary period for an officer to prove his qualifications; however, if during that 7-year probationary period it is determined that he has not the aptitude for an officer, the Secretary of the Navy has the authority to revoke his commission at any time and discharge him with not to exceed 1 year's pay.

If, however, an officer is recommended for promotion and fails to pass a professional examination, he goes out with 1 year's pay.

This bill permits any commissioned officer of the line, except commissioned warrant officers, to retire upon their own application, in the discretion of the President, after they have completed 15 years' service.

If an officer is selected for promotion and is found physically unfit, he is surveyed by a medical board and placed upon the retired list with 75 percent of the active-duty pay of the grade to which selected.

This bill abolishes the present system of officers being designated as additional numbers because of not being selected after certain periods of commissioned service.

Warrant and temporary officers who came in the service as the result of their war service and who today have the rank of lieutenant and fail to be selected and by the provisions of this bill are placed upon the retired list, they are given upon their retirement one rank higher than that which they hold with the retired pay of that rank.

In other words, these lieutenants who came in under the act of 1920, who served during the World War, who have over 21 years' service, and who are not selected, will go out with the rank and retired pay of a lieutenant commander.

Under existing law there will be 74 naval and 28 marine officers forced to retire on June 30 of this year on account of not being selected. If this bill is enacted into law prior to this date, no officer will be retired this year and all of these officers will have another board to pass upon their qualifications for promotion.

To sum up, this bill guarantees to every officer in the Navy two chances before the selection board before he goes out. It further provides two standards by which officers may be judged for promotion; that is, as best fitted and as fitted.

The officer who is fitted but not selected as best fitted would go out under existing law while this bill provides for his promotion and retention in active service.

I may say that this bill prevents the wastage of trained officers to premature retirement and guarantees a reasonable career to all officers of the line of the Navy and of the Marine Corps who have weathered satisfactorily their first 7 years of officer service. It continues the selection of the best fitted officers for successive promotion from grade to grade, and thus assures that the Navy and the Marine Corps shall be directed and commanded by the best material, seasoned, trained, and carefully chosen, from among its entire officer corps. The many officers, however, who, though capable and efficient, are not among the progressively diminishing number who advance to the higher ranks, are no longer to be summarily retired, and their experience and abilities lost to the Navy.

They are now to be promoted one step along with their fellow officers who have been chosen as the best, and they will continue on active service until they have completed, in the lowest rank affected, 26 years of officer service, and in the higher grades 28 and 30 years of such service.

Not only does this assure them a career of that length on active duty and on full pay, but at the end of this period they are retired on a proportionate pay which enables them to maintain a decent livelihood.

All the 102 officers whom I have stated will otherwise retire on the 30th of June will be continued in active service for 1 year more, and the large majority of them will profit by this extension of service I have just described.

While I grant that there will be a slight increase in the cost of the officer personnel as the result of this bill, the Government will be receiving some return from the officers retained on active duty while without the provisions of this bill more officers would be retired and the Government would then be receiving no benefit whatsoever from them. The increase in cost does not begin to compare to the value of the services rendered by the officers retired.

No officer under the provisions of the bill, if he is worth the salt in his bread, will go out of the service as a result of this measure until he has at least rendered a minimum of 26 years of service.

This measure is a fair and equitable method for the promotion of officers. It will go far toward increasing the efficiency and the morale of the naval service. The enactment of this bill should eliminate the criticisms of and complaints about the selection system.

I am happy to state that this bill was unanimously recommended by the Naval Affairs Committee and I earnestly urge on the part of the Committee favorable consideration of this measure. [Applause.]

Mr. THOMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Illinois.

Mr. THOMPSON of Illinois. Do the figures the gentleman has given include the Marine Corps?

Mr. VINSON of Georgia. That does not include the Marine Corps at all. While this bill applies to the Marine Corps, my remarks now are confined merely to the line of the Navy and do not deal at all with the Marine Corps.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. Can the gentleman inform us whether or not at the present time the number of officers exceeds 4 3/4 percent of the actual number of enlisted men?

Mr. VINSON of Georgia. It does not. We are short. We do not have today enough officers to man the treaty Navy.

Mr. BOILEAU. Do we have in the Navy now the full authorization of enlisted men?

Mr. VINSON of Georgia. No; we have only about 100,000 or about 110,000 in the last bill, while the authorized enlisted strength is 137,000.

Mr. BOILEAU. So your 4 3/4 percent is not based on the actual number of men in the Navy, but upon the authorized number of men in the Navy?

Mr. VINSON of Georgia. That is what it is based on; yes.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Missouri.

Mr. COCHRAN. This bill increases the number of officers that can be retained in the Navy?

Mr. VINSON of Georgia. That is right.

Mr. COCHRAN. Under this 6-percent provision, what number will you have?

Mr. VINSON of Georgia. I am coming to that. As I stated a moment ago, where the law today permits 4 3/4 percent of the authorized enlisted strength to be officers of the line, that is a mathematical calculation and you have 6,531 officers. In the proposed bill we have increased that to 6

percent, or an increase from 4 3/4 percent to 6 percent, which will give them an officer strength of 8,249, or an increase of 1,718 officers. Later on I will explain that while there may appear to be an increase of 1,718 officers, as a matter of fact, there is only an increase of 1,105 officers due to the change of status of 650 officers in the Navy.

So you see we have an officer authorized strength in this bill of some 8,294 officers and when you get those officers, then you break them down into the different grades. You break them down into the rank of admiral, captain, commander, lieutenant commander, lieutenant, lieutenant (junior grade), and ensign. So this bill does not disturb the present officers in each grade.

Under the law today we are entitled to 1 percent of the present strength as admirals, with a limitation of not over 53 admirals. We are entitled to 4 percent of officer strength in captains, which gives us 240 captains under the present law. Under the law we are entitled to 8 percent of officers with the rank of commander, which makes 515; lieutenant commanders, 15 percent, which makes 1,016; lieutenants, 30 percent, which makes 1,958; and lieutenants (junior grade) and ensigns, 42 percent, or 2,734.

Now, this is the same percentage that is provided in this bill. We have 1 percent of admirals of the 8 percent, which would mean 70 admirals. This is the total number of admirals you can have in the Navy in peacetime. You have 4 percent of captains, which is 330 captains; you have 8 percent of commanders, which is 660; you have 15 percent of lieutenant commanders, which is 1,234; you have 30 percent of lieutenants, which is 2,427; you have 42 percent of lieutenants (junior grade) and ensigns, which is 3,477, making a total officer strength of 8,249.

This gives you, briefly, the set-up with respect to your officers.

When these officers get in the Navy, then you have got to deal with them with reference to promotion and retirement. The purpose of this bill is to establish, as far as humanly possible, a more equitable and a fairer system than the one existing today.

In 1916 Congress established a method of promoting and retiring officers. It classified it as the selection system. In the Army today you have what is known as the seniority system, with certain modifications. Therefore, officers can only go up and retire when vacancies occur, but this does not follow in the Navy. Officers in the Navy are selected irrespective of seniority. They are selected based upon their record. We have established in the Navy, as far as possible, a merit system, and from that merit system it is determined whether this or that officer should be promoted.

Mr. TERRY. Mr. Chairman, will the gentleman yield for a question?

Mr. VINSON of Georgia. Yes.

Mr. TERRY. The gentleman states that the officers in the Navy are promoted by the selective process. How far down does the selective process extend?

Mr. VINSON of Georgia. It extends down to the ensign grade. It starts with the ensign, lieutenant (junior grade), lieutenant, lieutenant commander, commander, captain, and admiral, and it goes through every grade except the grade of ensign.

Now, let us see how this system works out under the proposed law and under the law on the statute books, and we are following the law on the statute books as far as it is possible and making it more equitable and fairer to the officers. I might also say that the objective of this bill is to retain in the service officers who have qualifications that permit them to continue rendering satisfactory service instead of putting them on the retired list.

The law in the past has been operating to the detriment of the Government and the service, because it has been putting too many officers who had good qualifications and who could render valuable service out of the Navy at a youthful age, when they would go upon the retired list with high retired pay.



Mr. COCHRAN. Mr. Chairman, will the gentleman yield?  
Mr. VINSON of Georgia. Yes.

Mr. COCHRAN. Are there provisions in this bill that will enable the Government to require officers who are capable of performing their duties to remain in the service?

Mr. VINSON of Georgia. We are going to give them more opportunities for being selected than ever before, but we cannot insure such officer that he is going to be selected. However, we are going to open the door to him and give a fairer method of selection than in the past.

Mr. COCHRAN. That is not the question I asked. What I want to know from the gentleman is this: Take a man who is only 45 years of age, in perfect physical condition, and capable of performing the duties of an officer, but under existing law he has had sufficient service to retire, if he wants to. He now goes out of the service and gets the retired pay, and then he takes another job in private industry.

Mr. VINSON of Georgia. We put a date upon when an officer can be retired, but ordinarily the case the gentleman has cited will not happen, because officers who have not reached the retired age do not want to go out, but the selection system in the past has been putting them out.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. FITZPATRICK. Will this bill also take care of the marine officers?

Mr. VINSON of Georgia. Oh, yes; it deals with the marines and applies identically the same provisions to the Marine Corps that we are applying to the line of the Navy.

Mr. FITZPATRICK. The object is to protect those officers now that have been eliminated from the service and are capable of performing the duties?

Mr. VINSON of Georgia. Not to protect them, but the object is to give them a better chance of proving their qualifications, and if they do prove their qualifications, they can stay in, and if they do not prove their qualifications, then they go out, because neither the gentleman nor any other Member wants an officer in the service who cannot perform the duties properly.

Mr. FITZPATRICK. But if they qualify they will stay in?

Mr. VINSON of Georgia. Yes.

Mr. MARTIN of Colorado. But this bill will not avail any officers already retired.

Mr. VINSON of Georgia. No; it is not retroactive. That is water over the wheel; except in one instance, we give to officers who probably would have been affected by this bill a little bit better leeway, but we do not do what is running through the gentleman's mind, make it retroactive. If an officer is out, he is out.

Mr. HANCOCK of New York. Will it be necessary to increase the size of the Naval Academy?

Mr. VINSON of Georgia. No; it is not necessary in this bill to increase the number of midshipmen we send to the academy. That is fixed by law today as five. The appropriation controls it, and we are now permitted to appoint four; and, as a matter of fact, unless the fleet is built up very rapidly, four will exceed the number of officers in the short time that we will need in the Navy.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. SNELL. Under this new promotion scheme, what will be the ultimate increased cost in connection with officers of the Navy?

Mr. VINSON of Georgia. In the first place, the Government is going to retain the services for a longer time and the first year under the 5-year program this will increase the cost by \$286,072.73; the second year the increased cost will be \$1,419,864; the third year, \$1,208,717; the fourth year, \$1,180,490; the fifth year, \$3,783,000.

Mr. SNELL. Does it increase after that period?

Mr. VINSON of Georgia. Of course the retirement pay is reduced, because officers are kept on the active list. I am frank to say that we have not figured out how much. When you offset the increase on the active pay against the

decrease on the retired pay will be the cost, but you will have some 1,100 more officers, and naturally it will cost the Government something, and I cannot say that it will be as economical as the old system, but it is a fairer system than has ever been put on the statute books before.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. COCHRAN. What is the rush about this bill? The bill comes in here without a report from the Budget Bureau.

Mr. VINSON of Georgia. This is the rush about it. On the 1st day of this month some 102 officers in the Marine Corps and in the Navy who have already been passed over will go out and go on the retired list, and a large percentage of those officers are qualified and are fitted to and can render valuable service to the Government. If this bill is not enacted between now and the 1st day of July, the end of the fiscal year, 102 officers go on the retired list, and the Government loses their services, when you need these officers because of the increase in your naval building program.

Mr. COCHRAN. We have some men in the Navy and in the Marine Corps, enlisted men, who are just as important as the officers. Why did not the gentleman do something for the enlisted men, so that they could remain in the service when they reach a certain age?

Mr. VINSON of Georgia. We are trying to do something for the enlisted men when necessity demands it, and we are trying to do something for the officers. There is not a single injustice pending today to a single enlisted man in the Marine Corps or in the Navy. The injustice is in the Government losing the services of able, competent officers who are in the very prime of life, at an expense to the taxpayers.

Mr. COCHRAN. But the same thing applies to the enlisted men who are in the prime of life.

Mr. VINSON of Georgia. They do not go out in the prime of life. They enlist for 4 years, and the man serves his period of enlistment.

Mr. COCHRAN. Is it not true that some of these men have 30 years of service, including foreign service? They have not been in the service only more than about 20 years actually, but they are still in the service in their early fifties, and they go out when the service is 30 years.

Mr. VINSON of Georgia. They can transfer to some other branch of the service if they want to.

Mr. COCHRAN. But they go out.

Mr. MAGNUSON. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. MAGNUSON. Will the gentleman point out also that if this bill is not passed at this session that by the 1st of December about 355 officers will be thrown out?

Mr. VINSON of Georgia. That may be true, because the selection board operates again between now and then.

This is the way the selection board operates: The Secretary of the Navy furnishes the selection board, which consists of nine officers with the ranks of captains, admirals, and commanders. There are nine admirals. These nine admirals have a list of the names of the officers who are eligible for selection in their various grades. They also have a list of the vacancies. They go through the records of the officers to determine which should be selected. Under the law today if the officer is not selected he immediately goes out of the service. Under the pending bill if he were not selected as the best fitted officer in the first instance he would stand in his grade until the subsequent year; and the next year a new selection board, another and a new group of officers, would go over his record and determine whether he is the best fitted or whether he is fitted. If he is best fitted he is promoted to the next grade. If he is a fitted officer he remains in his grade for another year. If he is an unfitted officer he goes out of the service and is put upon the retired list because the Government does not need his services any longer. This, briefly, is the way the selection system operates. The selection board must report to the Secretary of the Navy the reason why this commander, that captain, or the other lieutenant was promoted or recom-

mended for selection and why this or that officer was not. In other words, the selection board must state in positive language upon what theory or conclusion they made their recommendations. The selection board has the daily, monthly, and yearly record of every officer. In the Navy Department a record is kept of each officer's service, wherever he may be detailed. The selection board tries to determine which officers in the particular grades are best suited to be promoted, to determine whether the officers are best fitted or fitted.

This is a great improvement over the old system. So you see no officer in the United States Navy would go out until he has had two chances to be considered by the selection board. There are a great many officers in the service today who have been passed over. Immediately upon the enactment of this bill they would be given another chance. It is estimated that something over 700 officers will be retained in the service, men who are fitted officers but who, under the present law, will go out and become a charge on the taxpayers of the country.

Mr. TERRY. Mr. Chairman, will the gentleman yield for a question?

Mr. VINSON of Georgia. I yield.

Mr. TERRY. Does each officer have access to this record that is made and compiled of his services?

Mr. VINSON of Georgia. Every officer has available to him at all times his record and the comments of every superior officer on the performance of his duty. That is always available. Under the provisions of the pending bill the officer can specifically write a letter to the selection board and point out to it meritorious conduct and performance of duty so the selection board will not overlook it.

Mr. TERRY. That record is kept here in Washington?

Mr. VINSON of Georgia. It is kept in Washington.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. SPENCE. What is the average age?

Mr. VINSON of Georgia. It all depends on the class. If the officer is in the rank of junior lieutenant and were found unfitted he would go out after about 7 years of service, and would be somewhere around 30 years of age.

Mr. SPENCE. He would be at just about the right age to take a profitable position in industry and could develop with an industrial organization.

Mr. VINSON of Georgia. Yes; that is true. Every officer who leaves the Academy must serve in the rank of ensign for 3 years. He is then automatically promoted to the rank of junior lieutenant, in which grade he must serve 4 years. He serves 7 years in these two grades. This is a 7-year probationary period. If during this length of time he has not developed the aptitude for leadership and the aptitudes of an officer the Secretary of the Navy can then remove him from the service with 1 year's pay, which would be approximately \$1,008. If he qualifies, however, if he is satisfactory to the selection board, he is made a second lieutenant.

If he is made a lieutenant, then he stays in that grade for 7 years. Before being selected by the next selection board, he must have stayed there at least 4 years. It is an average of about 7 years. If at that time he is not selected, then he stays until a subsequent selection board, at which time he may be selected as a fitted officer. That is the procedure that is followed during his entire career.

Mr. Chairman, there is nothing complicated about this measure when it is thoroughly understood. It is far better than any system that has ever been developed for the selection of officers.

Mr. SNELL. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. SNELL. I have listened to the gentleman's statement, and while perhaps I have not heard him make exactly the same statement before or statements along similar lines, other distinguished members of his committee have stated to the effect that we must do this or that to straighten out certain irregularities and injustices in our promotion system.

If we pass the bill that the gentleman has brought in here, how long will it be before we will have to change again in order to take care of other irregularities and injustices?

Mr. VINSON of Georgia. That is a very important and fair question. The present law has been upon the statute books and has worked satisfactorily from 1916 to date. If the bill I am proposing now becomes law and works satisfactorily to these 8,000 officers for the next 10 years, I feel that we will have accomplished a great deal for the personnel and the morale of the service.

Mr. SNELL. The gentleman believes they would be satisfied?

Mr. VINSON of Georgia. Yes. Of course, they will probably be back here asking for this or that group to be taken care of and their friends on the floor of the House will be on the committee's neck and on the back of Congress trying to force us to do so.

Mr. SNELL. I thought that had been the experience in the past.

Mr. VINSON of Georgia. Therefore, if this bill can run the gauntlet for 10 years, then I say we have done a good job.

Mr. Chairman, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MAAS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, it is my intention at this time to make a brief statement and then answer whatever questions may rise in the minds of the Members.

First of all, may I point out that this bill comes in here with a unanimous report from the Naval Affairs Committee. I have probably been the most severe critic of the selection system in Congress. I have worked hard for 4 years to bring about a change in the present system. My own view disagrees somewhat with the chairman of the Committee on Naval Affairs with reference to how well the present law has worked. I do not think it has worked well at all. I believe it has done a great deal to get rid of deadwood, but, unfortunately, after it got rid of the deadwood it had to continue in operation and then began to get rid of fine, upright, live, red-blooded officers.

We have avoided this principle in the pending bill. It has been designed to bring to the top the able men and get rid of the deadwood, but to retain all competent officers. The present law worked fine as long as you had plenty of deadwood to get rid of, but after that when you continued to operate the system, it became ruthless and resulted in forcing out of the service valuable officers, in whom the Government had a very considerable investment.

We have fully recognized this situation today and have designed a bill which will accomplish two major objectives. First of all it will assure to the competent naval and marine officer an uninterrupted career in the Navy or Marine Corps. This is vital to the morale of the service and, I may say, the morale of the personnel is certainly equal in importance for efficiency with the arms and ships of the military and naval services. Secondly, this bill will assure to the Navy and to those who own the Navy, namely, the taxpayers, the maximum return on their investment in the education and training of these officers.

Instead of putting out fine, competent officers after a comparatively few years in the service and placing them on the retired list for life, we are going to utilize the services of every competent officer throughout the period of his maximum usefulness to the Navy or Marine Corps. Frankly, let me say that I do not think that this is a perfect bill. There are some things I would have done differently if it were left solely in my hands; but may I say that this is the finest compromise in legislation I have ever seen.

My colleague from Pennsylvania [Mr. DITTER] is unfortunately confined to the hospital at the present time, but he has asked me to say that were he present he would speak on behalf of the pending bill. While it does not in every



detail meet every one of his desires, he is supporting the bill because it is so much better than the present system, and it is a splendid, fine compromise.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Does not the gentleman feel that these naval officers should contribute to their own retirement fund?

Mr. MAAS. I do. I think one of the finest things we could do for the Army, Navy, and Marine Corps would be to work out a system whereby the officers had an inherent right to their retirement fund, a proposition where they contributed and therefore had vested rights in it. The same can be said, of course, of the Coast Guard. I think that is one of the finest things we could do and I hope we will get around to it shortly. If I am in Congress next year I am going to do everything I can to put such a system into effect.

Mr. JOHNSON of Oklahoma. I am glad to know that the gentleman has something like that in mind. Does he feel that these naval officers or men should retire under 40 years of age?

Mr. MAAS. Under certain circumstances, yes, I do.

Mr. JOHNSON of Oklahoma. May I ask what circumstances?

Mr. MAAS. For instance, an officer who has dedicated his life to the service, who has educated himself for that and that alone, and who is incapacitated by reason of his service, is certainly entitled to be retired regardless of age.

Mr. JOHNSON of Oklahoma. Will the gentleman advise the committee what is the youngest age that an officer or man can retire, under the terms of this act?

Mr. MAAS. A lieutenant commander would have a minimum of 26 years' service. If a lieutenant is fitted for promotion he goes to the grade of lieutenant commander and remains for 26 years.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. The gentleman is a little in error. Under the proposed bill a man goes to the Academy at around 18 or 19 years of age, spends 4 years there, and graduates when he is about 22 years old. Then he serves 3 years as an ensign, which will make him 25 years of age, and then serves 4 years as junior lieutenant, or up to the time he is about 30 years of age. If he goes out during that 7-year probationary period he does so at around 28, 29, or 30 years of age, with a pay of \$1,008. At the end of that probationary period the activities of the selection board commence. Then he is promoted from a junior lieutenant to a lieutenant, stays in that grade for 4 years, and then is eligible to be selected, but as a matter of fact it is about 7 years before they get to him, so before he would go out he would be in that grade approximately 7 or 8 years, making him in the neighborhood of 36 or 37 years of age.

Mr. MAAS. What I was explaining, Mr. Chairman, was that the regular operation of the selection system would mean that the selection system would really start at the promotion of lieutenant to lieutenant commander and an officer would serve a minimum of 26 years, which would mean he would not go out until he was at least about 46 to 48 years of age.

Mr. VINSON of Georgia. The law makes it necessary in order for him to go out to have had a career of 26 years in the grade of lieutenant commander, 28 years in the grade of commander, and 30 years in the grade of captain in the commissioned service.

Mr. MAAS. I was just about to explain to the gentleman from Oklahoma that with the average age at graduation around 20 or 22 that would mean an officer would be 46 to 48 years of age, if retired as a lieutenant commander.

Mr. JOHNSON of Oklahoma. So it is possible, as the chairman has stated, for a man to be retired at 36 or 37?

Mr. MAAS. Yes; for lieutenants, but there will not be many of those, for the probationary period will now be 7 years, and most of the early elimination will take place during those years, when an officer is not retired but paid off.

Mr. JOHNSON of Oklahoma. Is it not a fact there are a good many that are actually being retired at 35?

Mr. MAAS. There are today, yes; too many. Understand, only those lieutenants who are found to be unfit for service will be retired under this bill.

Mr. JOHNSON of Oklahoma. If a lieutenant is unfit for service, why should he be retired on pay?

Mr. MAAS. The pay at which he will be retired is very small. After all, we owe him something after all those years of service. I may say that where an officer fails in his professional examination he is not placed on the retired list under this bill, as he is under the present law, but gets 1 year's pay and he is through. It is undesirable to put him on the retired list if not professionally qualified, as he is subject to recall in time of war if on the retired list. We do not want to recall professionally unqualified officers.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Missouri.

Mr. COCHRAN. If I recall correctly, in the last hearings on the naval appropriation bill it appeared that you have about 600 men who are on what you call the additional numbers list.

Mr. MAAS. The gentleman is correct.

Mr. COCHRAN. Under the terms of this bill those 600 men are taken off that list and go back on the active list.

Mr. MAAS. That is right.

Mr. COCHRAN. All through this bill you have lots of saving clauses for the officers, but what do you have in the bill for the Government?

Mr. MAAS. What you speak of is for the Government. Does the gentleman believe it is an economy to throw on the retired list these 600 officers, who are competent officers, and load the retired list up and get nothing for their services? We have an investment in those officers of anywhere from \$40,000 to \$50,000 apiece. Under this bill we will continue to utilize their services for the benefit of the taxpayers.

Mr. COCHRAN. Does the gentleman really believe that men 45 and 46 years of age, who have been trained by the Government at this large cost the gentleman has just mentioned, should be permitted to retire at that age and go out and take another job in private life?

Mr. MAAS. Not if we can utilize them in the Navy. I believe that in this bill we have found a way to utilize the maximum number of officers possible, keeping in mind the efficiency of the naval defense of the country.

Mr. COCHRAN. But you have nothing in this bill that will compel a man to stay in the Navy when he reaches the length of service that entitles him to retire, regardless of his age.

Mr. VINSON of Georgia. Oh, yes; you have.

Mr. MAAS. You certainly do have.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. Under the law, when a man reaches the age of 64 years as an admiral he goes out. Under the law, after he has reached a certain age he goes out. There are different retirement ages, but the retirement ages are at the top, not at the bottom.

Mr. COCHRAN. I just asked a moment ago about the enlisted men. I know the case of a man who is 46 years old and has over 29 years of service. He is one of the most outstanding men in the service, with the top rank he can get. He does not want to leave the service.

Mr. MAAS. He does not have to.

Mr. COCHRAN. When he reaches the 30-year limit, out he goes, and nobody can keep him in but the Secretary.

Mr. MAAS. Oh, no; the gentleman is clearly in error. He is not forced out at all.

Mr. COCHRAN. Absolutely. Now this is one time I know what I say is correct.

Mr. MAAS. Oh, no.

Mr. COCHRAN. I know what I am talking about.

Mr. MAAS. Was most of his time overseas time?

Mr. COCHRAN. When he reaches 30 years of service, and he is only 46 years of age, he is forced out unless the Secretary extends his time. He was overseas but only has 4 months' additional overseas time. I was greatly surprised to learn this but I am now telling you facts.

Mr. MAAS. Oh, he is not forced out at all.

Mr. COCHRAN. I will prove it to the gentleman.

Mr. MAAS. I wish the gentleman would, and he will have to prove it to me, because there is no such law. A man may enlist so long as he can pass a physical examination. I have known enlisted men in the active service over 70 years of age.

Mr. COCHRAN. The chairman of the Naval Affairs Committee knows what I am talking about.

Mr. MAAS. The man got double time, did he not? He would have to have some such service to have 29 years and be only 46 years of age.

Does the chairman of the committee wish to make any comment on this?

Mr. VINSON of Georgia. No.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. I have not had a chance to analyze this bill. Does it provide some means to prevent injustices? I have in mind the name of an officer who has been passed over once and I believe an injustice has been done him. Under this bill you are passed over twice or three times before you are out. The old rule, I believe, was twice.

Mr. MAAS. It will be twice in this bill also, but he may have been passed over twice before this bill passes, and in that event he will still have an opportunity to be passed on again, making the three times you mention.

Mr. LUTHER A. JOHNSON. In what way will he get a chance a third time?

Mr. MAAS. The bill says that the officer who has been passed over more than once upon the passage of this bill shall be considered to have been passed over only once and the bill guarantees to every officer that he shall be passed upon twice in each grade.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the distinguished chairman of the committee.

Mr. VINSON of Georgia. In reference to the question asked by our colleague from Texas, this bill will be beneficial to some 700 officers who have been passed over. We have given them another opportunity and it is estimated that at least 75 percent of that group of 700 will be classified as either best fitted or fitted under the provisions of this bill.

Mr. MAAS. And I may say further to my colleague from Texas that there is an additional protection that has never been in the law before in a case such as the gentleman is talking about. From now on, if this bill becomes law, the selection boards will have to certify in writing the reason for their action, whether selected up or down, and the officer will have that record available to him.

Mr. LUTHER A. JOHNSON. I want to say to the gentleman that I think the committee has done a very fine piece of work, because there have been some injustices done, and I believe this bill will make possible fewer injustices in the future.

Mr. MAAS. I think the gentleman is correct.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman.

Mr. VINSON of Georgia. In connection with the statement of the gentleman from Texas, I may state it was testified by different naval officers that while they might not agree with every provision in the bill, yet the bill is a great improvement over the present law and everyone recognizes that.

Mr. MAAS. Yes; and I believe we have another very fine feature in this bill and, incidentally, I may say this is one

bill that has been written by the committee. With our combined experience the committee itself drafted this bill. We have put in, upon our own motion, a provision for applying selection to the highest grade, making it apply from the bottom to the top. For the first time we have applied the principle of extending the hazard of selection to the grade of admiral. We provide that there shall be an average number of annual vacancies maintained, so we do not block the system and stop the flow at the top.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from Missouri.

Mr. COCHRAN. When we put back these 600 men who are now on the additional number list, do you not have to promote a lot of officers then?

Mr. MAAS. Not necessarily, no; that has nothing to do with it.

Mr. COCHRAN. Under the law will you not create some vacancies at the top so you will be able to push some officers up?

Mr. MAAS. No; these men who are being retained, if found best fitted or fitted, will go up in the next higher grade. What we are doing is taking care of part of the expansion of the commissioned personnel, which is absolutely essential even if we do not pass the big-Navy bill. We are under-officered now, and what we are doing is retaining officers whom we have already trained and in whom we have invested a large sum of money to fill these vacancies instead of creating additional vacancies and bringing in more midshipmen to fill them at additional expense.

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I yield myself 5 additional minutes.

Mr. COCHRAN. It seems to me the Committee has moved very fast on this bill. This bill is the result of the fight that was made on the floor of the House when the naval appropriation bill was up, and I think the gentleman from Minnesota and the gentleman from California—

Mr. MAAS. I want the gentleman to qualify that.

This bill is not the result of that incident. Perhaps the action of bringing it in at this time is the result of that discussion. Certainly that action the gentleman speaks of helped speed up action. This bill is the result of some 4 or 5 years of study and was under consideration before the appropriation bill was ever brought to the floor.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman.

Mr. VINSON of Georgia. As a matter of fact, I had already introduced a bill and we had already had a hearing in the last Congress when we considered this identical question.

Mr. MAAS. And I had a bill pending which I introduced in the last Congress and this present bill is the best mutual compromise of those two bills that we could arrive at.

Mr. COCHRAN. As a matter of fact, the committee got real busy just as soon as the naval bill got out of the way.

Mr. MAAS. We would have done that, anyway.

Mr. VINSON of Georgia. And the committee will get real busy and pass this bill if the gentleman from Missouri will cooperate with us.

Mr. MAAS. Yes.

Mr. COCHRAN. Will the gentleman yield to allow me to answer that statement?

Mr. MAAS. Yes.

Mr. COCHRAN. The gentleman from Missouri has always cooperated with the chairman of the committee, as he must admit. I do not feel a desire to get information as to cost is unreasonable. I want to improve the present system just as much as the gentleman on the committee.

Mr. VINSON of Georgia. If the gentleman will read the report, he will find out that the Government cannot eat its cake and have it, too.

Mr. MAAS. The chairman stated the exact cost for the next 5 years, but that was the outside figure. That did not allow for the saving on the retired list, which is very substantial, and took into consideration the expansion of the



Navy as well. If we do not pass this kind of a bill, we still have to expand the commissioned personnel, and it will cost a great deal more than this bill will and will permanently load up the retired list, which this bill will avoid.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. PHILLIPS. Is it not true that the committee had before it not only officers on the retired list who came there to testify, but officers and noncommissioned officers of various ranks and grades, right out of the Navy, and that we gave them permission to speak frankly as they pleased regarding the present promotion plan, and to make suggestions regarding this, and is it not a fact that instead of moving hastily the committee went into the matter carefully?

Mr. MAAS. Oh, indeed, the gentleman is quite correct.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. COCHRAN. Is it not unusual that there is not even a letter from the Secretary of the Navy in reference to this bill?

Mr. MAAS. It may be unusual, but, after all, we are exercising our prerogative as legislators, and we do have the benefit of the testimony of the Navy Department, word for word and section for section of the bill.

Mr. COCHRAN. That is true, but some of us here would like to have a little information from a source other than the Committee on Naval Affairs, even though we have a very high regard for the chairman and members of the committee.

Mr. VINSON of Georgia. The report states as follows:

The Navy Department has not commented formally upon the bill, as due to its recent introduction and its amendment in committee it has only very recently been sent to the Bureau of the Budget, and the action of that Bureau, necessary before the Department may express its approval of the bill, has not been received. The committee has, however, had the benefit of exhaustive testimony by the Chief of the Bureau of Navigation and the Major General Commandant of the Marine Corps as to the effect of the provisions of the bill and believes that these officers are in general accord with its principles.

I may say that every day, during the 10 days this bill was being considered, Admiral Andrews was there aiding the committee in drafting the bill, and it is merely because of lack of getting it to the Budget that kept us from coming in here and saying it is in accord with the Budget's approval. As a matter of fact, it is in accord with the Bureau of Navigation.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. CASE of South Dakota. The gentleman from Minnesota, of course, from personal experience, by reason of his service on the Naval Affairs Committee, is well qualified to speak of the organization of the Marine Corps. I would like to have the gentleman's personal assurance that he is satisfied that section 15, which deals with the Marine Corps, meets the situation and keeps it in proper relation with the Navy as a whole.

Mr. MAAS. I thank the gentleman and I am glad to explain that. This bill treats the Marine Corps on an exact equal footing with the line of the Navy, recognizing that they are both combatant services, though distinct, and recognizing the fact that the Marine Corps is not a bureau nor a staff of the Navy Department, but an equal combatant service. It may interest the Members of the House to know that the Marine Corps is not a part of the Navy. The Marine Corps is an independent military organization, assigned to the Navy by the Executive order of the President. This bill in every respect treats the Marine Corps as it does the line of the Navy, from top to bottom, and I think it has the entire approval of the Marine Corps.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. BREWSTER. How fast is it expected that the officer personnel will be increased under this measure?

Mr. MAAS. In about 10 years. It will take until about 1950 to get the full increased officer strength.

Mr. BREWSTER. How much will there be in the first 3 years?

Mr. MAAS. It will come in in equal increments.

Mr. BREWSTER. About 100 a year?

Mr. MAAS. No; in the Marine Corps it is to be at about 60 a year. It is planned to increase the commissioned personnel in the Marine Corps about 60 officers a year. The Marine Corps gets 25 officers every year from the Naval Academy and the balance will come from civil life, so that the commissioned personnel of the Marine Corps will always be preponderantly from civil life.

Mr. MAGNUSON. Is it the fundamental principle of this bill that while we will need more officers in the Navy, instead of putting some more in Annapolis and training them, we will keep those competent men in the Navy we now have?

Mr. MAAS. Exactly, and this is a great economy in itself.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Yes.

Mr. BOILEAU. The gentleman states it will be about 10 years before these total officers will be put in commission?

Mr. MAAS. Yes.

Mr. BOILEAU. At that time does the gentleman think there will have to be a corresponding increase in the enlisted personnel?

Mr. MAAS. No. The bill provides that the authorized enlisted strength of the Marine Corps will be 20 percent of the authorized enlisted strength of the Navy.

Mr. BOILEAU. The present authorization of the Navy is 137,435 enlisted men. That is the total maximum authorization.

Mr. MAAS. This will not require any authorized increase in enlisted strength. One hundred and thirty-seven thousand five hundred is the number of enlisted men as it happens that will be required to man the expanded fleet, so there will be no increase necessary in the enlisted personnel, but of course year by year the number appropriated for will be increased, and as you do that, you have to increase the number of officers, because the same requirements for increased enlisted personnel effect the necessity for more officers.

Mr. BOILEAU. I understood the Chairman to say that there are 110,000 enlisted men in the Navy.

Mr. VINSON of Georgia. On active duty.

Mr. MAAS. That is correct.

Mr. BOILEAU. But there is only a latitude of 27,485.

Mr. VINSON of Georgia. We do not need any more to man the treaty Navy plus the increase authorized in the bill now under consideration in the Senate. One hundred and thirty-seven thousand four hundred and eighty-five is the enlisted strength. That will take care of everything Congress has authorized up to date.

Mr. BOILEAU. Everything Congress has authorized as well as what it has appropriated for?

Mr. VINSON of Georgia. Including the number necessary to take care of the increase provided in the last bill.

Mr. BOILEAU. But that bill has not yet passed the Senate. The gentleman has that bill in mind, and it is understood that this number is sufficient?

Mr. VINSON of Georgia. Yes.

Mr. MAAS. Yes; that is perfectly correct.

Mr. VINSON of Georgia. That includes 20 percent.

Mr. MAAS. I want to explain that increase to 6 percent in the commissioned strength of the Marine Corps. As everybody knows, the Marine Corps operates in an unusually efficient manner, and although this is still less than the proportionate number of officers the Army has, we know that the Marine Corps can do the job with fewer officers. I am sure my colleague from Wisconsin will admit that.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. HOBBS. I am very much interested in the gentleman's statement that this bill was written in the committee. Is the gentleman to be understood as meaning by that statement that the bill was actually drawn and written in the committee?

Mr. MAAS. Yes. The bill is a composite largely of the chairman's bill and my own, with some suggestions from other members of the committee, particularly Mr. SCOTT; but it is a bill written by members of the committee and finally and ultimately written by the committee itself.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. VINSON of Georgia. To which the gentleman from Alabama and other Members contributed.

Mr. MAAS. Yes; but I do not think the gentleman from Alabama meant to imply that they did not. I think he meant to imply that possibly the bill was written for us in the Navy Department.

Mr. HOBBS. That was my information.

Mr. MAAS. We took all of the gentleman's suggestions into consideration and used the good ones.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc., That there is hereby established a merit system for promotion by selection in the line of the Navy.*

**AUTHORIZED NUMBER OF OFFICERS OF THE LINE**

SEC. 2. The total authorized number of commissioned officers of the active list of the line of the Navy, exclusive of commissioned warrant officers, shall be equal to 6 percent of the total authorized enlisted strength of the active list, exclusive of the Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia and the Flying Corps.

Mr. BOILEAU. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 1, line 9, after the word "total", strike out the word "authorized."

Mr. BOILEAU. Mr. Chairman, I presume that we are justified in concluding that the naval experts, the admirals, have for a period of years been of the opinion that the total officer strength of the Navy should be equivalent to about 4.75 percent of the total active enlisted strength of the Navy. We have been operating on this theory for quite some time.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. VINSON of Georgia. That has always been the authorized relationship.

Mr. BOILEAU. I understand, but certainly when they talk about authorized officer strength and authorized enlisted strength, somebody, at some time or other, must have had these two ideas put together. The original formula of 4.75 percent must have been based upon the total authorized number of officers and the total authorized number of enlisted men; and I do not suppose that when that formula was laid out in the beginning anybody was stupid enough to work out a formula providing that the officer strength should be 4.75 percent of the enlisted authorized strength without regard to the number of enlisted men actually in the service. In other words, if we had only half of the authorized enlisted strength it would seem to me not to be reasonable that we should have the full strength of officers; yet they have been working upon that basis.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield, but my time is very limited, I may have to get more time.

Mr. MAAS. I shall be very happy to explain to the gentleman. In time of peace it is not necessary to have every enlisted man on board the ship, as must be the case in time of war; yet it is necessary to have practically the entire complement of officers for the relationship of officers to enlisted

men is not the same as it is in the Army, where so many officers are needed for a given number of enlisted men.

Mr. BOILEAU. The gentleman said if I wanted an explanation he would give it to me. The gentleman will have to give me a better explanation than that, because as I brought out in the colloquy between the gentleman from Georgia, the gentleman from Minnesota, and myself, it is contemplated under this bill that within 10 years we will have the full number of 8,249 officers and we will have the full authorization of 137,000 enlisted men actually in the service, so that you are contemplating a ratio of 6 percent. The statement of the gentleman from Georgia made just a few minutes ago shows that when we get this new Navy we are now building we will need the 137,000 enlisted men, and the gentleman will have to admit that was made clear by the gentleman himself at that time. We will also have to have 8,249 officers, which the gentleman himself made clear.

Mr. MAAS. But the gentleman overlooks the fact that the law also says that in time of war the enlisted strength goes to 191,000; so we have the difference there for expansion in time of war.

Mr. BOILEAU. The gentleman does not want to overlook the fact that in time of war we have our Reserve officers, Reserve enlisted men, and so forth. According to the gentleman's own statement made a moment ago, and the statement made by the gentleman from Georgia, this bill and program is based upon a peacetime Navy, bigger than we have today, true, but there is the definite ratio of 6 percent of officers as against enlisted men, and that is very definite. I am sure he made it very clear in his argument, and the gentleman is the authority I quote. The gentleman made it clear that in 10 years it is intended to have 137,000 enlisted men, and it is intended also to have at that time 8,249 officers, which is 6 percent of the enlisted strength.

Mr. MAAS. Because the billets in the Navy require that number of officers at that time. The number of officers you have in the Navy is based upon the number of billets, and the more mechanized the Navy becomes the more commissioned officers you have to have in order to fill those billets.

Mr. BOILEAU. Yes. I made a certain statement as a premise for my argument, and the gentleman has not convinced me I am wrong. I used the 6 percent. It is now the consensus of opinion of naval experts the officer personnel should be 6 percent of the enlisted men actively in the service. Not authorized but actively in the service. That is what you are preparing to do here. Six percent of 137,485 is approximately 8,249.

Mr. MAAS. So what?

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BOILEAU. The gentleman asks, "So what?" I assume he is admitting my premise.

Mr. MAAS. Not at all.

Mr. BOILEAU. May I say that all my amendment does is strike out the word "authorize" so that as the enlisted personnel increases with the needs of the Navy, and it will gradually increase during the next 10 years, the officer strength will gradually increase along with it.

Mr. MAAS. Will the gentleman yield further?

Mr. BOILEAU. The gentleman indicated I was not correct in my argument. That is because I had not fully presented my argument.

Mr. MAAS. I am trying to explain to the gentleman, if he will yield for information.

Mr. BOILEAU. I yield to the gentleman.

Mr. MAAS. When the 4¾ percent was determined, aviation was a minor factor in the Navy. Today aviation requires a very large percentage of commissioned officers. The number of enlisted men to officers is very small in aviation



as compared with the rest of the Navy. Therefore a more rapid increase in percentage is necessary in officer strength to accommodate rapidly expanding aviation than is immediately necessary for enlisted strength.

Mr. BOILEAU. I do not yield further because, with all due respect to my very good friend, the gentleman from Minnesota, whom I consider one of my very closest friends, but as all other naval-minded men, he is not quite willing to let people who oppose big navies lay their premise. He does not get the force of my argument because he has not permitted me to lay the premise for the statements I am going to make.

I am not criticizing the changing of the formula from 4¾ to 6 percent. If you admirals believe that is necessary, fine; but if you do believe that you ought to have the 6 percent, be reasonable about it and make your 6 percent based not upon authorized, but the actual number of enlisted men; so that if next year you increase the enlisted personnel, you increase your officers by 6 percent. When we pass this bill, right away you are going to authorize 12 more admirals. They will start getting more stripes for the admirals. Now, admirals are a fine set of fellows. There is not a group of men in the United States who are more socially congenial than admirals. As I stated, they are fine men, but we do not need too many admirals. We can get good men for the Navy, even though they be only captains.

Mr. MAAS. Does the gentleman contend there will be 12 more vacancies for admirals immediately created by the passage of this bill?

Mr. BOILEAU. You will authorize 12 more.

Mr. MAAS. No; not immediately.

Mr. BOILEAU. When you increase the total officer personnel and increase the ratio from 4¾ to 6 percent, you are then authorizing an additional number of officers. As we increase the officer strength the number of admirals will be automatically increased. Have I got the figure 12 wrong?

Mr. MAAS. No. Twelve is right; but it takes some years before you will get 12 more admirals.

Mr. BOILEAU. The gentleman admits immediately they increase the naval strength, within their ability to do so, this will happen.

Mr. MAAS. But it will take 10 years or more to bring the officer strength up to that authorized in this bill. The number of admirals will be less than 1 percent of the officer strength.

Mr. BOILEAU. But there are several hundred more men available. They will keep them in, too. Those 700 men about whom the gentleman from Texas spoke will not have to worry. They will keep most of them in, because that will increase the number of officers in the Navy and make more room for admirals. They will keep them in because they are going to use every possible means of keeping in the Navy all the officers they can, because what they want to do is increase as fast as they can the number of officers. This is what is going to come as sure as night follows the day. They are going to be more reasonable with these men who otherwise might be cut out. They will keep them in the Navy so they can have more admirals and more captains.

Mr. MAAS. I hope so.

Mr. BOILEAU. I know the gentleman hopes so.

My amendment is very reasonable. It provides that if you have the 6 percent it must be of the number of men actively in the service rather than the number Congress authorizes. At the present time we have authorized 137,485 enlisted men but we have only 110,000 enlisted men actually in service. We provide for officers on the basis of the paper authorization of enlisted men. It seems to me that even if you have to increase the number of officers it should be done gradually and should be done consistently. If you want to tell us and tell the country that the percentage of officers to enlisted men should be 6 percent, all well and good and I am not going to argue that, but I say it should be on the basis of men actually in the service and not upon mere authorization.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Wisconsin.

Mr. Chairman, the effect of the amendment would be to reduce the officer personnel by 1,587 officers. The type of ships required in the Navy today necessitates more officers than ever before because we have smaller-type ships. We have only one captain on a battleship and have a great many junior officers. We have one captain on a destroyer, but we have more destroyers now than ever before. The entire matériel of our Navy has shifted from the basis of large ships to that of a great many smaller ships. It is absolutely essential that the officer strength be based upon the total authorized enlisted strength and not upon the actual enlisted strength. I certainly hope this amendment will not be agreed to, because, as I have stated, it will reduce the officer personnel by approximately 1,500, and you need the total number of officers, which is worked out to a mathematical certainty with billets for each officer in every military place on a ship. You require 6 percent of the total authorized enlisted strength instead of the total actual enlisted strength.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Not now.

Therefore, Mr. Chairman, I trust the Committee will vote down the amendment of the gentleman from Wisconsin.

Mr. ENGEL. Mr. Chairman, I move to strike out the last word for the purpose of asking some questions. I confess I am ignorant of, have no information regarding, and am not posted on the officers of the Navy, and I should like to ask this: On page 14 of the bill it appears that we reach our maximum expense of approximately \$3,000,000 at the end of the fifth year.

Mr. VINSON of Georgia. The gentleman is correct.

Mr. ENGEL. Do I correctly understand from this that at that time we will have 8,200 officers on the pay roll?

Mr. VINSON of Georgia. No; it will require from 8 to 10 or 12 years to get the 8,000 officers.

Mr. ENGEL. What will be the increase in cost when those officers are all on the pay roll?

Mr. VINSON of Georgia. The best way we can figure it is that we have to use a 5-year period, and we put the figures in there, but you must bear in mind that we will get a credit for keeping officers off the retired list.

Mr. ENGEL. I understand that.

Mr. VINSON of Georgia. When you deduct the retired-list pay from the actual pay, the figure will hardly be what appears there, but we cannot work that out, because we do not know how many officers there will be. We do know that under our plan today it will cost us in 5 years what those figures show.

Mr. ENGEL. How many officers will you have on the pay roll during that 5-year period; can the gentleman tell me?

Mr. VINSON of Georgia. Not exactly, because I cannot tell how many are going out.

Mr. ENGEL. Then from the information you furnish us we do not know how many extra officers this \$3,000,000 is going to pay and what the cost is going to be when the 8,000 are on the pay roll.

Mr. VINSON of Georgia. We have not worked out what the total cost is going to be.

Mr. ENGEL. I notice we have 58 rear admirals. A captain commands a ship. What does a rear admiral command? I do not know. I am frank to confess my ignorance.

Mr. VINSON of Georgia. Admirals have different assignments. Some of them are in charge of a group of ships, some of them are in charge of larger groups of ships, and some of them are in charge of navy districts. All of them have very responsible positions because they have an immense amount of Government matériel and Government personnel, and large Government expenditures to handle.

Mr. ENGEL. I have always understood an admiral to be in charge of a fleet.

Mr. VINSON of Georgia. Some admirals are and some admirals are not.

Mr. ENGEL. Apparently not, because there could not be 58 fleets.

Mr. VINSON of Georgia. Of course not.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. I am not convinced that just because we have a bigger navy we need more admirals.

Mr. ENGEL. That is what I am getting at.

Mr. VINSON of Georgia. I will tell you why we do. It is because ships have been broken down into smaller units. The smaller the units you need and the smaller the groups you have the more officers you must have and the better service you have.

Mr. ENGEL. Let us not argue about the officers, let us talk about the admirals. Are we going to have 58 groups?

Mr. VINSON of Georgia. It does not become my distinguished friend and it does not become any Member of Congress to seek to cast criticisms and aspersions on men because the Government has placed them in responsible positions. They got there by their merit and not by any political pull and they are the very ones whom the gentleman and everyone else would criticize if they did not deliver the goods in case of a national emergency. So do not let us be too generous in criticizing them unless there is some justification for it.

Mr. ENGEL. If the gentleman please, I have not criticized them. I have simply asked certain questions, and, surely, asking questions is not criticism.

Mr. VINSON of Georgia. My remarks refer to the statements of my good friend from Wisconsin.

Mr. ENGEL. And I am assuming that there is no political pull, and what I want to know, if the gentleman can place the information in the RECORD, is the different units which these 70 admirals are going to command.

Mr. VINSON of Georgia. I will put in the RECORD where every admiral is assigned and where every admiral will be placed and we can go further and put in the RECORD where every captain and commander and lieutenant will be placed, and each one has a military duty to perform.

Mr. ENGEL. I can understand about the captains in charge of the ships, and so forth—

Mr. VINSON of Georgia. I will put that in the RECORD, and when it is put in the RECORD I trust it will convince the gentleman because it will be information that is authentic with respect to the military needs.

Mr. ENGEL. Whether or not it will convince the gentleman from Michigan will depend upon whether or not these admirals are commanding forces or units which justify the payment of an admiral in charge of such units.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. BOILEAU. I would like to make it very clear I did not intend to cast any aspersions upon these admirals. As a matter of fact, I went out of my way to say what fine, high-class gentlemen they are. While, personally, I am not much of an advocate of a big navy; yet, so far as the admirals individually are concerned, they are as fine men as you may want to meet. They are fine, patriotic citizens and as competent as any other admirals in any other country and I want the RECORD to be clear that I have no ill feeling against them, but I doubt their necessity in such large numbers.

Mr. ENGEL. May I comment on the fact there are 240 other captains who want to be admirals, and when this bill passes there will be 334 captains who want to be admirals, and they are admirable gentlemen, and the thing I want to know is what we are going to do with all these admirals? Are we going to place admirals where captains are now?

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. VINSON of Georgia. It is to be hoped that some of these 240 captains will become admirals, because these admirals have got to go out; but I want to assure the gentleman that we do not intend to place an admiral in a captain's billet or a captain in an admiral's billet until he is entitled to get there.

Mr. ENGEL. Will the gentleman also put in the RECORD what this bill will cost us at the end of the 10-year period? Can this be done?

Mr. VINSON of Georgia. If I put that in the RECORD I trust the gentleman will read it, because I do not want to do all that work for nothing.

Mr. ENGEL. I certainly will read it, and I always have read such information.

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I rise in opposition to the pro forma amendment to offer one word of explanation to my fellow admiral of the Nebraska Navy. The number of officers bears no essential relationship to the number of enlisted men. The 6 percent is merely the formula that is used for convenience. It could be some other kind of formula. The number of officers determined to be needed by the Navy is figured out and divided into the number of the authorized enlisted strength. This could be determined by some other method. The present increase in the number of officers is made necessary, for one thing, by the increase in aviation and by the increased mechanization of the Navy; and I hope this amendment will be voted down, because it has no place in this bill at all.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman.

Mr. BOILEAU. The gentleman states there is no rhyme or reason to this formula of 6 percent; then why in the name of common sense does the gentleman's committee perpetuate something that has no rhyme or reason to it? This is why some of us are a little bit disgusted with the way some of these things are being done. The gentleman admits there is no rhyme or reason to this formula.

Mr. MAAS. I made no such admission. I said it could have been done in another way, but in time of war the regular enlisted strength automatically goes up to 191,000, and this formula is needed for that contingency as it most nearly meets the needs that would thereby be created.

Mr. BOILEAU. But in that event the Reserve officers come into existence.

Mr. MAAS. We are even more short of Reserve officers than of Regulars, so that offers no solution.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

The Clerk read as follows:

#### DISTRIBUTION OF OFFICERS OF THE LINE

SEC. 3. (a) The total number of commissioned line officers on the active list at any one time, exclusive of commissioned warrant officers, shall be distributed in the proportion of 1 in the grade of rear admiral to 4 in the grade of captain, to 8 in the grade of commander, to 15 in the grade of lieutenant commander, to 30 in the grade of lieutenant, to 42 in the grades of lieutenant (junior grade) and ensign, inclusive: *Provided*, That except in time of war there shall be not more than 70 rear admirals on the active list of the line of the Navy, exclusive of additional numbers in grade.

(b) To determine the authorized number of officers in the various grades of the line as provided in subsection (a) of this section, computations shall be made by the Secretary of the Navy at least once each year, and at such times as he may direct, and the resulting numbers in the various grades, as so computed, shall be held and considered for all purposes as the authorized number of officers in such various grades and shall not be varied between such computations: *Provided*, That no officer shall be reduced in rank or pay or separated from the active list of the Navy as a result of any computation made to determine the authorized number of officers in the various grades of the line: *Provided further*, That the number of officers allowed in any grade as a result of any such computation may be temporarily increased to include any such officers as may be promoted to that grade by reason of being recommended by a selection board as fitted for promotion.



as hereinafter provided; and the total number so carried in excess in the several grades shall be applied as a reduction to the numbers allowed to the grades of lieutenant and lieutenant (junior grade) and ensign, in the proportions of one-third of such total excess number in the grade of lieutenant and two-thirds in the combined grades of lieutenant (junior grade) and ensign.

(c) For the purpose of determining the authorized number of officers in any grade or rank of the line, there shall be excluded from consideration those officers carried by law as additional numbers: *Provided*, That officers who, on the date of approval of this act, are additional numbers in grade by reason of the operation of section 3 of the act of March 3, 1931 (46 Stat. 1438), as amended, are hereby changed to regular numbers on the Navy list; and no further such additional numbers shall be created.

(d) Whenever a final fraction occurs in computing the authorized number of officers of any grade, the nearest whole number shall be regarded as the authorized number.

With the following committee amendment:

Page 3, line 19, in the parentheses after the word "Stat.", strike out the figures "1438" and insert "1483."

The committee amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Page 3, line 6, after the words "hereinafter provided", insert "or as may be retained in that grade by section 12 (b) of this act."

Mr. VINSON of Georgia. Mr. Chairman, I ask for the adoption of that amendment because of another amendment which will be offered later on.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word. I am taking the floor now because I do not want the RECORD to indicate by my questions that I am satisfied with the present system of promotion in the Navy. I am not. It has interfered with the morale of the Navy. There is not a Member of this House who has not received complaints with reference to the methods used by the boards in selecting officers for promotion.

Now, I want to talk about another matter. I have made the suggestion, not once, but several times; and I think it is appropriate to bring it up again, because it has to do with the retirement of men in the Army, Navy, and Marine Corps. We require the civil-service employees of the Government to contribute toward their retirement fund, but we do not require a Navy, Marine, Army, or Coast Guard officer to contribute toward his retirement fund. Further, the amount received by the men in the Army, the Navy, the Marine Corps, and Coast Guard far exceeds the amount that a civilian employee receives at the time he or she retires.

Our officers are well paid, regardless of what some might say. If they leave the service, they receive two-thirds of their base pay on retirement.

A law to require a contribution toward a retirement fund would be beneficial to the Government as well as beneficial to the officer and his family. For instance, if the officer should die, his family would receive the amount he has paid into the retirement fund, the same as the civilian employee's family does under their law. The contribution carries interest. There is no sound reason why such a system should not be set up.

I think that suggestion is worthy of the attention of the Naval Affairs Committee.

Mr. VINSON of Georgia. Mr. Chairman, it was stated this afternoon that the Committee intends to give careful consideration to that thought. The same thought that is running through the gentleman's mind has been running through my mind. The whole question of retirement payment is going to be gone into and also the question of pay. Then it will be determined whether or not the principle of contribution should apply to Army and Navy officers, and we certainly intend to make inquiry. We are grateful to the gentleman from Missouri for his contribution on that subject.

Mr. COCHRAN. I thank the gentleman from Georgia, but also I hope he will look up the matter that I called to his attention today, because I know, and I am sure he knows,

that I am right when I say that the enlisted man in the Navy who serves 30 years, unless his term is extended by the Secretary, goes out regardless of his age.

Mr. VINSON of Georgia. Let us assume that the gentleman is correct. It has no bearing on the bill.

Mr. COCHRAN. I want the gentleman to look that up. It should be corrected. I do not want men 45 years of age who want to stay in the Navy, who have reached the highest rank they can as noncommissioned officers, to be put out of the Navy simply because they have been in 30 years. That is not good for the man nor good for the Government.

Mr. VINSON of Georgia. Let us deal with this group that we have before us now and we will deal with the other later on.

Mr. COCHRAN. I am simply trying to improve the Navy. The gentleman knows I have been one of his staunch supporters. I hope this bill will do what the gentleman says it will do.

The Clerk read as follows:

#### PROMOTION BY SELECTION

Sec. 4. Subject to the provisions of section 1508 of the Revised Statutes, all promotions to grades above that of lieutenant (junior grade) of the line of the Navy, including the promotion of those officers who are, or may be, carried on the Navy list as additional numbers in grade, shall be only upon the recommendation of a board of naval officers as herein provided.

With the following committee amendment:

Page 4, line 8, strike out the word "provided" and insert "prescribed: *Provided*, That nothing herein contained shall be construed to interfere with the promotion of officers on promotion lists at the date of approval of this act except as hereinafter provided in section 11 (b)."

The committee amendment was agreed to.

The Clerk read as follows:

#### SELECTION BOARDS

Sec. 5. (a) The board for the recommendation of officers for promotion to the grades of rear admiral, captain, and commander shall consist of nine rear admirals on the active list of the line of the Navy, not restricted by law to the performance of shore duty only, and shall be appointed by the Secretary of the Navy and convened at least once each year and at such times as the Secretary of the Navy may direct.

(b) The board for the recommendation of line officers for promotion to the grades of lieutenant commander and lieutenant shall consist of nine officers on the active list of the line of the Navy above the rank of commander, not restricted by law to the performance of shore duty only, at least one of whom shall be a rear admiral and shall be appointed by the Secretary of the Navy and convened at least once each year and at such times as the Secretary of the Navy may direct.

With the following committee amendments:

Page 4, line 24, strike out "at least one of whom shall be a rear admiral", and on page 5, at the end of the section add the following:

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment, page 5, after line 2 insert:

"(c) No officer, except the commander in chief, United States Fleet, may be a member of two successive selection boards for the consideration of officers for promotion to the same grades."

The CHAIRMAN. The question is on agreeing to the committee amendments.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the committee amendment. I rise with a great deal of reluctance to oppose this suggested provision of the bill, which I am sure meets with the approval of a vast majority of the members of the Committee on Naval Affairs, but I do so impelled by the sense of duty growing out of my conviction that this is one of the worst amendments which could possibly be engrafted on this bill. You permit here the commander in chief of the fleet of the United States to carry over year after year as a member of the selection board. What we ought to write instead of that is that the commander in chief should never be a member of a selection board or have anything to do with its deliberations. The simple reason is that no consideration can be full and free in any selection board under the domination of the commander in chief of the fleet. You may just as well face the issue. If you permit the commander

in chief of the fleet of the United States Navy to be a member of the selection board, you know that he will dominate the selections of officers in the United States Navy.

You know how it is here in Congress to a smaller degree. You know the power of the chairman of any committee here in this body; yet we are wholly independent, theoretically, at least, of each other. We owe our election to our respective constituencies, and we are not under the hammer or the lash of the chairman or any other Member; yet the chairmen of our respective committees—and they are all honorable, fine, distinguished gentlemen such as the genial gentleman from Georgia, the friend and admirable worker in the cause of the Navy, CARL VINSON—wield a most potent power. His committee, and my committee, and every other committee here feel the force and the impact of the chairman's opinion and influence. I submit that we do not want that kind of thing, which is infinitely multiplied in the Navy, continued. We do not want to perpetuate that kind of domination. We do not want these fine men in the officer personnel of the Navy to be dependent upon "bootlicking," or, as they call it, "greasing." Their promotion should not be gained by favoritism born of their enforced sycophancy.

They should advance on merit alone to the pinnacle of rank. If unfit, no amount of "grease" should keep them in the service.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Certainly.

Mr. VINSON of Georgia. No chairman of a House committee, of course, falls within the gentleman's characterization.

Mr. HOBBS. Of course, sir, no chairman will ever so admit.

Mr. VINSON of Georgia. I judge from the gentleman's remarks, nevertheless, that he takes exception to the commander in chief being the only officer who continues. As far as I am concerned, and as far as members of the committee with whom I have spoken are concerned, we have no objection to making the law read "no officer shall be on succeeding selection boards." We are willing to strike out that provision.

Mr. HOBBS. That is perfectly agreeable to me.

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia to the committee amendment: On page 5, line 3, after the word "officer", strike out "except the commander in chief of the United States Fleet."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 4, strike out all of section 5 and insert:

"Sec. 5. The Board for the recommendation of officers for promotion to all grades shall consist of five rear admirals on the retired list of the line of the Navy, and shall be appointed by the Secretary of the Navy and convened at least once each year. "Such Board shall remain in session as long as may be necessary for the completion of its work.

"Each member of such Board shall be appointed for a term of 3 years. Any vacancies which may occur in the membership of the Board shall be filled by appointment of the Secretary of the Navy for the unexpired term of the member whose resignation or death shall have caused the vacancy."

Mr. HOBBS. Mr. Chairman, this amendment seeks to divorce the function of selection of officers in the Navy from those immediate superiors of theirs who now have their official lives in their hands. I do not mean to say here, nor have I said anywhere else, that the favoritism which is so rife in the selection system of the Navy is consciously exercised by members of the selection boards. I believe those men do their duty as well as men can, but I submit that only God Almighty, in His omniscience, could operate this selection system efficiently. We finite beings have that old human nature, that old tug at the heartstrings, which everyone of us knows

and feels with respect to our own particular friends. If you will go through the record of selection boards, you will find that almost 9 out of 10 of the men selected have tied human-interest strings to members of those boards.

A board member may say: "I know this officer; he served under me, or he is now my immediate subordinate. I want him selected." There is none to speak for those many just-as-good officers who have not such a contact with any board member. Or, we might conceive this situation: "There are nine of us sitting on the selection board, active men in the line of the Navy. There are nine admirals to be selected. All we have to do is to center our interest on one man. That is easy. There are nine of us. There are nine admirals to be selected. The board is adjourned."

I do not mean to say they do it in that light way. No doubt they study the records. No doubt they give grave consideration. But it is far easier to find reasons to promote a friend than a stranger. The results speak for themselves. Those fine boys at Annapolis who are being fed into this inhuman mill every year, while some 500 go in, yet because of our thoughtlessness or lack of backbone 327 of them are kicked out because of the narrowing of the officer personnel pyramid as they go up. No matter how good they are, they go out.

Uncle Sam has invested in the training of these men, who are kicked out before their prime, from \$24,000 to \$35,000 apiece. It is not economy. It is not right. It is not human. You have no right to continue to crucify these fine men who have dedicated their lives to this splendid service of national defense upon the cross of our indifference. Thank God, this bill is far better than the system under which we have been operating. However, I respectfully submit we ought to divorce this selection function from the active men in the Navy and give it to those who have retired, and so are not in such close personal touch with the lives in which they deal.

My amendment provides for a permanent board that will have time to study the records of these men and not permit a man to be forgotten merely because he is on duty in China or the Philippines. I submit we ought to divorce this job from the politics of the Navy and give a chance to the forgotten man to come into his own by guaranteeing him that his case will be studied adequately.

Mr. Chairman, that is the essence of my amendment. Many members, if not all of the members, of the Naval Affairs Committee agreed with me when this was first proposed, but now they have changed their minds because of the intensive study they have made of the matter with the aid of the Bureau of Navigation. I submit that no reasons that they give weigh in the scales of justice when you consider fairly and impartially the import of this amendment. I ask the Members, most respectfully, to vote for this amendment and give us a permanent selection board which will be divorced from the politics of the Navy.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Alabama [Mr. HOBBS].

Mr. Chairman, I hope the Committee will not act favorably upon the amendment just offered by our distinguished colleague from Alabama. When this bill was first being considered, I called the gentleman from Alabama and other Members together, who had given some study to the selection question, and in writing our agenda and objectives to be arrived at in order to get a law, I suggested that I thought it might be important to have a permanent system somewhat like a court. The Members who sat in agreed with that view. When the bill was first drafted my recollection is I did put something like that in the bill. But after it was debated, after it was considered, and after the officer personnel had testified before the committee without hesitancy, we concluded it would not be a good idea to have a permanent board of retired admirals. They testified that they would far rather have their cases placed before officers of the Navy who know something about them than three or four admirals who have retired and are now living in Washington. It is easier to



influence a permanent board than it would be a new board created every year. Every one of these officers will have two chances at the board. They would rather have their chances at a separate board than to consistently go before the same board. It is far better for the officers to have an entirely new board, a new deal, so to speak, every year, than to have his case heard constantly by one selection board.

The Committee on Naval Affairs after listening to these officers, some of whom were brought from New York, Philadelphia, Washington, and all about, unanimously concluded the best thing to do was to create a new board every year, with no officer being permitted to serve in subsequent years. I hope this permanent board idea will not be agreed to, because the Department, the officers, and the members of the committee are opposed to it.

Mr. HOBBS. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Alabama.

Mr. HOBBS. May I ask the distinguished chairman if it is not a fact that it is practically impossible to get a frank expression of opinion or a frank expression of testimony from any naval officer at the present time?

Mr. VINSON of Georgia. I do not agree with the gentleman. It would be refreshing to him to read the unhesitant statements made by the officers whose amendments appear in this bill which we are now considering. Every one of these officers stated, "For goodness' sake, do not make us year after year go before the same board. Give us a new board. The old board may turn us down, and we want a new deck next year."

Mr. HOBBS. Did not Admiral Andrews testify that he queried, and practically ordered, each and every member of the line of the Navy to send in constructive suggestions and criticisms?

Mr. VINSON of Georgia. Yes.

Mr. HOBBS. And from 6,300 letters sent out he only received 148 replies?

Mr. VINSON of Georgia. That was due to the fact that the service papers had carried this bill, which almost unanimously expressed the sentiment of the officer personnel in the Navy, and I may say that 95 percent of them are behind this bill today. It is the only fair method of selection that has been submitted to the Congress thus far.

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Georgia [Mr. VINSON] has just stated that one of the most important features of this bill is the guaranty to the officer that he shall have two chances at a selection in each grade. The adoption of the pending amendment nullifies that whole principle. If a permanent board were created and it acted on an officer once, there is very little likelihood it would reverse itself at a subsequent selection. If this amendment is agreed to it will kill one of the most valuable features of the bill and I hope therefore it will not prevail.

In addition to this objection to a board of retired officers, such officers have finished their careers and very soon are out of touch with the Navy and both its problems and personnel. The benefit of an officer's service reputation is lost thereby. Service reputation is that intangible but highly important element that does not show up in the written record of an officer, but frequently means more than his recorded assignments and fitness reports that make up his written record.

For both of these reasons I urge that the amendment be rejected.

The CHAIRMAN (Mr. FULLER). The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The amendment was rejected.

The Clerk read as follows:

#### OATH FOR MEMBERS OF SELECTION BOARDS

Sec. 6. Each member of a board provided for in section 5 of this act shall swear, or affirm, that he will, without prejudice or par-

tiality, and having in view both the special fitness of officers and the efficiency of the naval service, perform the duties imposed upon him as herein provided.

#### ELIGIBILITY OF OFFICERS FOR CONSIDERATION BY SELECTION BOARDS

Sec. 7. (a) No captain, commander, lieutenant commander, or lieutenant who shall have had less than 4 years' service in the grade in which he is serving and on the promotion list for that grade, on June 30 of the fiscal year of the convening of a board provided for by this act, or who is not physically qualified, shall be eligible for consideration by that board.

(b) No lieutenant (junior grade) who shall have had less than 3 years' service in the grade of lieutenant (junior grade) on June 30 of the fiscal year of the convening of a board provided for by this act, or who is not physically qualified, shall be eligible for consideration by that board.

#### INFORMATION TO BE FURNISHED SELECTION BOARDS

Sec. 8. (a) The Secretary of the Navy shall furnish the appropriate selection board with (1) an estimate of the number of vacancies which will occur before the end of the next succeeding fiscal year, in each grade or grades for which the board will recommend officers for promotion, in excess of the number of officers then on the promotion list; (2) the names of all officers eligible for consideration for promotion to each grade or grades to which the board will recommend officers for promotion; and (3) the records, other than medical, of all such officers since, except for lieutenants (junior grade), their last previous selection: *Provided*, That, after 1 year from the date of approval of this act, a list of names furnished by the Secretary of the Navy of officers eligible for consideration for promotion to the grade of lieutenant commander or to the grade of lieutenant, exclusive of those previously considered, shall in no case contain a number of names greater than double the number of estimated vacancies certified for the grade concerned.

(b) Any officer eligible for consideration for selection shall have the right to forward through official channels at any time not later than 10 days after the convening of said board a written communication inviting attention to any matter of record in the Navy Department concerning himself which he deems important in the consideration of his case: *Provided*, That such communication shall not contain any reflection upon the character, conduct, or motives of or criticism of any officer.

With the following committee amendment:

Page 6, line 13, after the word "records", strike out the words "other than medical", and in the same line, after the word "officers", strike out the remainder of the line and all of line 14.

Mr. HOBBS. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I wish very briefly to call attention, so this Committee may do what they do with their eyes open, to the fact that this amendment strikes out "other than medical" and the words "since, except for lieutenants (junior grade), their last previous selection." What I want to call attention to is that in connection with a man's selection for promotion this proposes to make it a prerequisite that he be physically fit. I submit that is not right. It is not good for the Navy. It ought not so to be. No man who is not physically fit should be promoted. If he is not fit to perform the duties, of course, he should not be promoted, but he is entitled not to have the stigma placed upon his official record of having been passed over for selection. Therefore, I urge that the attempt to strike out the words "other than medical" should be defeated, and I hope the Committee will vote down this committee amendment.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. VOORHIS. Mr. Chairman, I move to strike out the last word, merely for the purpose of explaining the absence of my colleague the gentleman from California [Mr. SCOTT]. This bill is a matter in which he has been deeply interested and upon which he has spent a lot of time and a lot of work. Were it not for the fact he is now accompanying to California the body of our former colleague, Mr. Colden. I am sure he would be here with us working on the passage of this measure.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. I am pleased to yield to the gentleman from Georgia.

Mr. VINSON of Georgia. I may say to the gentleman that the gentleman from California [Mr. SCOTT] is the author of this bill and has contributed much to the preparation of

the bill. We deeply regret that it is impossible for him to be here.

Mr. VOORHIS. I thank the gentleman.  
The Clerk read as follows:

#### DUTIES OF SELECTION BOARDS

SEC. 9. (a) From among those officers who are eligible for consideration for promotion and whose names are furnished the board by the Secretary of the Navy, each board shall recommend for promotion those officers whom it considers best fitted for promotion, in number not exceeding the number of estimated vacancies certified to the board by the Secretary of the Navy as provided in section 8 of this act: *Provided*, That in each grade all officers not selected as best fitted for promotion but senior in lineal rank to the junior officer selected as best fitted by each board shall be considered as having failed of selection as best fitted: *Provided further*, That such status of having failed of selection as best fitted shall not be considered as prejudicial to an officer with respect to his qualifications, his fitness for the naval service, or his eligibility for selection by the next succeeding selection board.

(b) In addition to the selection of officers best fitted for promotion as hitherto provided in this section, each selection board shall, from among those officers who are eligible and who have once failed of selection as best fitted by a preceding board, except officers in the grades of captain and lieutenant (junior grade), designate those officers whom the board adjudges fitted for promotion.

(c) The recommendation of the board in the case of officers who are now or may hereafter be assigned to aeronautical-engineering duty only shall be based upon their comparative fitness among themselves for the technical duties prescribed for them by law: *Provided*, That they shall not succeed to command on shore.

(d) The recommendation of the board in the case of officers who are now or may hereafter be assigned to engineering duty only shall be based upon their comparative fitness for the duties prescribed for them by law. Upon promotion they shall be carried as additional numbers in grade.

(e) No officer shall be selected as best fitted for promotion or adjudged fitted for promotion unless he shall have received the recommendation of not less than six members of the board.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I ask the chairman of the Committee on Naval Affairs and other members present whether in introducing this new element known as the fitted officer any consideration was given to providing some limitation as to the number of those who might be adjudged best fitted of those adjudged fitted, or some limitation based upon a percentage of the numbers in grade? Apparently there is no limit.

Mr. VINSON of Georgia. There is no limit as it stands today, for the reason that with the Navy increasing as fast as it is it was felt by the committee that for the time being there should be no restriction on fitted officers. When the Navy has been built up to whatever definite percentage it is going to stand at it might be justified in determining what percentage of fitted officers shall continue in the service, but for the time being the committee did not share the viewpoint that we should put any limitation on it.

Mr. MAAS. If the gentleman will yield, it is the desire of the committee during the expansion period to utilize every officer who can be rated as fitted. We felt that the question as to distribution could be handled by regulating the inflow at the Naval Academy during this expansion period. Our desire is to use every competent officer.

Mr. WADSWORTH. Surely.

Mr. VINSON of Georgia. Later on, of course.

Mr. WADSWORTH. My motion to strike out the last word to make this inquiry does not indicate any opposition on my part to this bill. I believe the committee has brought in a tremendous improvement over existing law. I have no doubt that for the next 3 or 4 years, we will say, or 5 years, the Navy will need every officer adjudged fitted, but I believe the chairman and his fellow members of the Committee on Naval Affairs, if they stay here long enough, and I hope they all will, will reach the time when they find the selection board will be very, very generous, beyond the needs of the service, and adjudge a lot of men fitted in order to relieve them of the humiliation of being out.

Mr. VINSON of Georgia. Or, rather, because they can render good service.

Mr. WADSWORTH. Yes.

Mr. MAAS. My apprehension is just the other way.

Mr. WADSWORTH. My apprehension is that after the Navy is reorganized or readjusted you will find the selection board, having selected the best fitted, and its conscience being perfectly clear on that, will then go down the line and say, "It is pretty tough to publish to the world that Capt. John Smith is not at all fitted," and they will leave him on the list as fitted. They are having exactly that experience in the Army today. I do hope perhaps the time will come when your committee will find some formula, perhaps based upon a percentage, for limiting the number of fitted officers. Otherwise, I am afraid the elimination of the unfit will not take place.

Mr. VINSON of Georgia. The fear in the gentleman's mind right now is not exactly justified, because we have need for them.

Mr. WADSWORTH. For the next 4 or 5 years, yes.

Mr. VINSON of Georgia. Sufficient to the day is the evil thereof. At that time we will cross the bridge that is disturbing the gentleman.

Mr. MAAS. If the gentleman will yield, I believe it will be at least 10 years.

[Here the gavel fell.]

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 7, between lines 23 and 24, insert the following:

"All those officers who have failed of selection shall be reconsidered without prejudice because of having been passed over theretofore and without regard to their physical condition."

Mr. VINSON of Georgia. Mr. Chairman, I trust the committee will vote down the amendment, because it would nullify completely what we are trying to do.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 8, line 9 and in line 14, strike out in each line the word "comparative."

Mr. VINSON of Georgia. Mr. Chairman, I accept the amendment.

The amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent to dispense with the further reading of the bill for amendment, and that the remainder of the bill be printed in the RECORD at this point, and that the Clerk report the committee amendments, and that the bill be open to amendment at any part of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The remainder of the bill is as follows:

#### REPORTS OF SELECTION BOARDS

SEC. 10. (a) The report of the board shall be in writing, signed by all of the members thereof, and shall certify that the board has carefully considered the case of every officer whose name was furnished to the board by the Secretary of the Navy, as provided in section 8 of this act, and that, in the opinion of at least six of the members, the officers therein recommended are either selected as the best fitted or are adjudged fitted, as the case may be, to assume the duties of the next higher grade, except that the recommendation of the board in the case of officers who are now or may hereafter be assigned to engineering duty only, or to aeronautical-engineering duty only, shall be based upon their comparative fitness for the duties prescribed for them by law.

(b) The report of the board shall be submitted to the President for approval or disapproval: *Provided*, That in case any officer or officers recommended by the board as best fitted for promotion are not acceptable to the President, the board shall be informed of the name of such officer or officers and shall recommend a number of officers as best fitted for promotion equal to the number of those found not acceptable to the President and, if necessary, the board shall be reconvened for this purpose.

(c) The report of the board shall be accompanied by a confidential statement of the board's reason or reasons for its action in the case of the officers who are selected as best fitted, adjudged fitted, or who, having twice failed of selection as best fitted, have not been adjudged fitted. Such statement, insofar as it concerns any officer, shall be disclosed to such officer at his request.



## PROMOTION OF OFFICERS

SEC. 11. (a) The names of officers designated by a board as best fitted for promotion and the names of officers adjudged by a board as fitted for promotion, and approved by the President, shall be placed upon a promotion list and promotions to fill vacancies shall be made from officers of the next lower grade whose names appear on the promotion list as having been designated as best fitted for promotion: *Provided*, That officers whose names appear on the promotion list as having been adjudged fitted for promotion shall be promoted at the same time that the officers next senior to them on the list of those designated as best fitted for promotion are promoted to the next higher grade: *Provided further*, That officers so promoted pursuant to the recommendations of the same report shall take rank with one another in accordance with their seniority in the grade from which promoted, and officers recommended in an earlier report shall, when promoted, have precedence of officers recommended in a later report.

(b) The Secretary of the Navy may, in his discretion, with the approval of the President, remove the name of any officer from the promotion list and submit it to the next ensuing selection board for consideration and recommendation: *Provided*, That the next ensuing selection board may select the officer concerned as best fitted for promotion or adjudge him fitted for promotion, and thereupon, with the approval of the President, the name of such officer shall be replaced on the promotion list, without prejudice by reason of its having been temporarily removed therefrom, and when promoted such officer shall take rank in accordance with his seniority on the promotion list at the same time his name was removed therefrom: *Provided further*, That if such officer is neither so selected as best fitted nor adjudged fitted by such next ensuing selection board he will be placed on the retired list on June 30 of the then current fiscal year: *And provided further*, That if the name of any officer selected as best fitted for promotion be removed from a promotion list of officers in any grade and submitted to another board as provided in this subsection, the estimate of the number of vacancies furnished said board by the Secretary of the Navy shall be increased accordingly.

(c) No officer shall be promoted unless he has had not less than 2 years' actual sea service in the grade in which serving and on the promotion list for that grade: *Provided*, That in exceptional cases where officers are specifically designated, during war or national emergency declared by the President, by the Secretary of the Navy as performing, or as having performed, such highly important duties on shore that their services cannot be or could not have been spared from such assignment without serious prejudice to the national interests, the qualification of sea service in the cases of those officers so specifically designated shall not apply while the United States is at war, or during a national emergency declared by the President, or within 2½ years subsequent to the ending of such war or national emergency: *Provided further*, That the qualification of sea service shall not apply to officers restricted by law to the performance of engineering duty only or to the performance of aeronautical-engineering duty only.

## RETIREMENT OF OFFICERS

SEC. 12. (a) For the purpose of the administration of this section, all officers on the active list now in the status of having failed of selection as best fitted, as defined in section 9 (a) of this act, one or more times shall be regarded as having failed of selection as best fitted once only.

(b) Officers, except lieutenants (junior grade), whose names are not placed upon the promotion list, shall be placed on the retired list on June 30 of the fiscal year in which they fail of selection as best fitted the second time, with retired pay at the rate of 2½ percent of their active-duty pay at the time of retirement multiplied by the number of years of service for which entitled to credit in the computation of their pay on the active list, not to exceed a total of 75 percent of said active-duty pay: *Provided*, That such officers who were appointed as ensigns in the permanent line of the Navy, in accordance with the provisions of the act of March 3, 1901, as amended, shall have the option of reverting to such permanent warrant or permanent commissioned-warrant status in the lineal position to which their seniority would have entitled them had their service subsequent to such appointment been rendered in the status to which they revert.

(c) Lieutenants (junior grade) whose names are not placed upon the promotion list shall be honorably discharged from the Navy with 1 year's pay on June 30 of the fiscal year in which they fail of selection as best fitted the second time: *Provided*, That such lieutenants (junior grade) who were appointed as ensigns in the permanent line of the Navy, in accordance with the provisions of the act of March 3, 1901, as amended, shall have the option of reverting to such permanent warrant or permanent commissioned-warrant status in the lineal position to which their seniority would have entitled them had their service subsequent to such appointment been rendered in the status to which they revert.

(d) Captains, commanders, and lieutenant commanders promoted to those grades by reason of adjudgment as fitted for promotion may be continued on the active list of the line of the Navy until they shall have completed 30, 28, and 26 years, respectively, of commissioned service (with which commissioned service shall be included service as a commissioned warrant officer, active commissioned service in the Naval Reserve Force, and service under a temporary commission in the Navy): *Provided*, That during such continuance on the active list they may become eligible for se-

lection as best fitted, subject to the provisions of section 7 (a) of this act, as best fitted for promotion, and may be promoted consequent to such selection, but they shall not be eligible for consideration by any selection board for adjudgment as fitted for promotion: *Provided further*, That if such officers are not so selected as best fitted and if they twice fail of selection as best fitted they shall thereafter be ineligible for promotion: *Provided further*, That, if not so selected as best fitted, upon the completion of the periods of commissioned service stated in this subsection, they shall be placed upon the retired list on June 30 of the fiscal year in which they completed such commissioned service with retired pay computed as prescribed in subsection (b) of this section: *And provided further*, That captains, commanders, and lieutenant commanders may, in the discretion of the Secretary of the Navy, be continued on the active list for a period of not to exceed 5 years after the date on which, as provided in this section, they would otherwise be placed on the retired list, during which period they shall not be eligible for selection as best fitted.

(e) When officers of the line of the Navy, other than commissioned warrant officers, have completed 15 years' commissioned service, they may at any time thereafter, upon their own application, in the discretion of the President, be retired from active service and placed upon the retired list with retired pay computed as provided in subsection (b) of this section.

(f) Officers on a promotion list who fail to pass the required physical examination for promotion shall be retired in the rank for which they were selected, or adjudged fitted, with retired pay at the rate of 75 percent of the active-duty pay of the grade to which selected.

(g) Officers who fail on the professional examination for promotion shall be honorably discharged with 1 year's pay.

(h) Lieutenants now additional numbers on the active list of the Navy by reason of the operation of the act of March 3, 1931 (46 Stat. 1483), as amended, shall not be placed upon the retired list in accordance with the provisions of subsections (b) and (d) of this section prior to the date they would otherwise be transferred to the retired list under the law in effect on the date of approval of this act, but when they have twice failed of selection as best fitted they shall become ineligible for consideration by subsequent selection boards for promotion to the grade of lieutenant commander.

(i) Lieutenants (junior grade) now additional numbers on the active list of the Navy by reason of the operation of the act of March 3, 1931 (46 Stat. 1483), as amended, shall, at their own request, in lieu of the honorable discharge provided in subsection (c) of this section, be continued on the active list of the Navy until the completion of the period of service designated in the said act, as amended, and shall then be retired as provided therein, but when they have twice failed of selection as best fitted they shall become ineligible for consideration by subsequent selection boards for promotion to lieutenant.

(j) All line officers of the Navy who have been specially commended for their performance of duty in actual combat by the head of the executive department under whose jurisdiction such duty was performed, when retired in accordance with subsection (b) of this section, or when retired for physical disability, except as provided in section 12 (f) of this act, shall, upon retirement, be placed upon the retired list with the rank of the next higher grade and with three-fourths of the active-duty pay of the grade in which serving at the time of retirement.

SEC. 13. (a) Should it be found at the end of any fiscal year that the average number of vacancies in the grade of rear admiral for the fiscal years subsequent to the passage of this act has been less than 8, the Secretary of the Navy shall convene a board consisting of the Chief of Naval Operations, the Commander in Chief, United States Fleet, and the Commander, Battle Force, to recommend for retirement a sufficient number of rear admirals to cause the aforesaid average number of vacancies: *Provided*, That not more than two rear admirals shall be so recommended in any one fiscal year.

(b) The report of the board shall be submitted to the President for approval or disapproval; if the President shall disapprove the recommendations of the board in whole or in part, the board shall then recommend additional officers for retirement equal in number to those disapproved by the President.

(c) Officers so recommended for retirement and approved by the President shall be placed upon the retired list on June 30 of the fiscal year of the approval of the report of the board, with retired pay at the rate of 75 percent of their active-duty pay.

## PROBATIONARY APPOINTMENTS OF OFFICERS

SEC. 14. The Secretary of the Navy, under such regulations as he may prescribe, may hereafter revoke the commission of any officer on the active list, initially commissioned after the date of this act, who, at the date of said revocation, has had less than 7 years of continuous service as a commissioned officer of the line of the Navy, of a Staff Corps of the Navy, or of the Marine Corps, and each officer whose commission is so revoked shall be discharged from the naval service with not more than 1 year's active-duty pay: *Provided*, That service as an acting chaplain shall, for purposes of this section, be considered as service as a commissioned officer.

## MARINE CORPS

SEC. 15. (a) The rank among themselves of officers of the Marine Corps appointed from sources other than the Naval Academy with the same date of commission shall be determined on promotion to



first lieutenant by boards of officers under such rules as may be prescribed by the Secretary of the Navy, and the recommendations of such boards shall be final when approved by him.

(b) Section 1 of the act of Congress approved May 29, 1934 (48 Stat. 811), is hereby amended to read as follows: "That hereafter commissioned officers of the Marine Corps shall be authorized in number in the same proportion to authorized enlisted strength and shall be distributed in grades, promoted, retired, and discharged in like manner and with the same relative conditions in all respects as provided for commissioned officers of the line of the Navy, by existing law, or by laws hereafter enacted, except as may be necessary to adapt the said provisions to the Marine Corps, or as herein otherwise provided: *Provided*, That except in time of war there shall be not more than 14 general officers on the active list of the Marine Corps, exclusive of the heads of staff departments and additional numbers in grade.

(c) Section 11 of the act of Congress approved May 29, 1934 (48 Stat. 812), is hereby amended by striking out the words "on a promotion list" and inserting in lieu thereof the words "selected as best fitted for promotion", and by striking out the word "not" and inserting in lieu thereof the words "removed from and not replaced", so that the said section shall read as follows:

"SEC. 11. That an officer whose name is placed on an eligible list for appointment as head of a staff department shall not be again considered for that office by any subsequent selection board, except as otherwise provided in this section, and shall, in respect to involuntary retirement, be in the same status as if selected as best fitted for promotion: *Provided*, That the Secretary of the Navy may, in his discretion, with the approval of the President, remove his name from such list and submit it to the next ensuing selection board for consideration and recommendation. If recommended for appointment by said board and approved by the President, the name of such officer shall be replaced on the eligible list from which removed without prejudice by reason of its having been temporarily removed therefrom. If not recommended by said board, such officer shall be subject to involuntary retirement under the same conditions as provided for in the case of an officer whose name is removed from and not replaced on a promotion list."

(d) Hereafter the authorized enlisted strength of the active list of the Marine Corps shall be at all times 20 percent of the total authorized enlisted strength of the active list of the Navy, exclusive of the Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps.

(e) Whenever it is apparent on November 1 of any year that the total prospective vacancies in the grade of general officer of the line of the Marine Corps in the current fiscal year will be less than two, the Secretary of the Navy shall direct the board provided for in section 13 of this act to recommend for retirement a sufficient number of general officers to bring the prospective total number of vacancies in such next succeeding fiscal year to a total of two, the approval by the President of the recommendations and the retirement of the general officers to be effected under the same conditions as provided for in that section for rear admirals of the Navy.

#### MISCELLANEOUS PROVISIONS

SEC. 16. (a) The provisions of this act, except as herein otherwise indicated, shall not apply to officers of the Staff Corps of the Navy.

(b) The Secretary of the Navy shall prescribe regulations whereby a uniform system of establishing a record of the efficiency of officers may be employed throughout the Navy.

#### REPEAL PROVISIONS

SEC. 17. All laws or parts of laws inconsistent with the provisions of this act are hereby repealed, and the provisions of this act shall be in effect in lieu thereof.

The Clerk read as follows:

Committee amendment: On page 9, line 10, after the word "fitness", strike out the remainder of the line and insert "as prescribed in section 9 of this act."

Mr. HOBBS. The word "comparative" occurs there in line 10. Would there be any objection to leaving it out?

Mr. VINSON of Georgia. I think that is one place where it works in all right, and I would object to striking it out.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 12, line 21, after the word "time", insert "in successive years."

The committee amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I have an amendment to offer on page 13.

The Clerk read as follows:

Committee amendment offered by Mr. VINSON of Georgia: Page 13, in line 2, after the word "Provided", insert the following: "That a fractional year of 6 months or more shall be considered a full year in computing the number of years of service by which the rate of 2½ percent is multiplied: *Provided further*."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 13, in line 10, after the word "revert", insert a colon and the following: "*Provided further*, That lieutenants who served in the Navy or Naval Reserve Force prior to November 12, 1918, and who have completed not less than 21 years of service shall on retirement as provided in this subsection be advanced to the grade of lieutenant commander on the retired list with the retired pay of that grade."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 14, line 14, after the word "selection", strike out "as best fitted."

The committee amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer a committee amendment on page 14.

The Clerk read as follows:

Committee amendment: On page 14, in line 11, after "Naval Reserve Force", insert "service as a midshipman after graduation from the Naval Academy."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 15, in line 19, after the word "promotion", insert "and who are found incapacitated for service by reason of physical disability contracted in line of duty."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 15, line 24, after the word "selected", insert "or adjudged fitted."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 16, line 15, strike out the word "new" and insert the word "now."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 17, line 19, after the word "vacancies", strike out the remainder of line 19 and all of line 20.

The committee amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: On page 16, lines 4 to 14, delete subsection 12 (h) and substitute therefor the following:

"(h) No officer on the retired list of the Navy on the date of approval of this act shall be retired in his present grade by reason of the provisions of subsection (b) of this section sooner than he would have been retired by reason of service ineligibility for consideration for selection under provisions of law in effect on the date of approval of this act: *Provided*, That when any such officer shall have twice failed of selection as best fitted he shall become ineligible for consideration by subsequent selection boards."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 18, line 14, after the word "Navy", strike out the comma and the words "of a staff corps of the Navy."

The committee amendment was agreed to.

The Clerk read as follows:

Page 18, line 17, after the word "pay", strike out "*Provided*, That service as an acting chaplain shall, for purposes of this section, be considered as service as a commissioned officer."

The committee amendment was agreed to.

The Clerk read as follows:

Page 21, strike out all of subsection (e) and insert: "(e) Should it be found at the end of any fiscal year that the average number of vacancies in the grade of general officer of the line of the Marine Corps for the fiscal years subsequent to the passage of this act has been less than two, the Secretary of the Navy shall direct the board provided for in section 13 of this act to recommend for retirement a sufficient number of general officers of the line to cause the aforesaid average number of vacancies, the approval by the President of the recommendations and the retirement of the general officers to be effected under the same conditions as provided for in that section for rear admirals of the Navy."

"(f) The provisions of this act relating to selection boards designating officers whom they adjudge fitted for promotion shall not apply to brigadier generals of the Marine Corps and when such officers twice fail of selection as best fitted, as defined in



section 9 (a) of this act, they shall be placed on the retired list on June 30 of the fiscal year in which they fail of selection as best fitted the second time, with retired pay at the rate of 75 percent of their active-duty pay.

"(g) Whenever there are insufficient general officers available to comprise a selection board for the recommendation of officers for promotion to the grades of brigadier general and colonel without placing thereon general officers who served as members of the same corresponding board the preceding year, except the commanding general, fleet marine force, line officers of the Navy of the grade of rear admiral of the line may be substituted for general officers of the Marine Corps in order to comply with the provisions of section 5 (c) of this act.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word. In reading that committee amendment, paragraph (e), on page 21, relating to the frequency of vacancies in the general officer rank in the Marine Corps, and a similar provision a few pages back, referring to the frequency of vacancies in the grade of rear admiral, would it not be wise for the committee to give consideration to the suspense automatically of those provisions in time of war?

Mr. VINSON of Georgia. It does.

Mr. WADSWORTH. How?

Mr. VINSON of Georgia. There are more admirals in case of war than the bill provides for now, because then you would invoke your percentage, and we have a limitation on it now; and in case of war you would have your full number of your 1 percent of admirals, and the same thing follows with the marines.

Mr. MAAS. We might very well simply insert the words "in time of peace."

Mr. WADSWORTH. I am wondering if the language you put in here so specifically, being a subsequent enactment, would not have the effect of repealing that other to that extent?

Mr. MAAS. If at the beginning of section (e) we insert the words "in time of peace", would it be agreeable to the gentleman?

Mr. WADSWORTH. It would. I think it is dangerous to tie the hands of the Commander in Chief, the President of the United States, in time of war, and this would require him to retire two admirals.

Mr. VINSON of Georgia. Does the gentleman offer that as an amendment?

Mr. WADSWORTH. Mr. Chairman, I offer the following amendment:

Page 21, line 13, in the committee amendment, after the word "found", insert the words "in time of peace."

The CHAIRMAN. The Clerk will report the amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH to the committee amendment: Page 21, line 13, after the word "found", insert the words "in time of peace."

The CHAIRMAN. The question is on agreeing to the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on agreeing to the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. WADSWORTH. Mr. Chairman, in order that the sequence and the connection may be clear I ask that we return to page 17, section 13, and offer the amendment there in line 11, after the word "found", insert the words "in time of peace." That is on the section relating to the compulsory retirement of eight rear admirals.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 17, line 11, after the word "found" insert "in time of peace."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 22, line 21, after the word "act", strike out "except as herein otherwise indicated."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 18, in line 9, after section 14, insert "(a)", so that the present section 14 will read "Sec. 14 (a)."

Page 18, line 20, add a new subsection, as follows:

"(b) If there be in any year an excess number of graduates of the Naval Academy available for commission in the line of the Navy over that number which in the opinion of the Secretary of the Navy will satisfactorily meet the needs of the Navy for commissioned officers, such excess number of graduates shall be given a certificate of graduation and an honorable discharge with 1 year's pay."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 8, line 2, insert a new subsection, as follows:

"(f) Of those officers designated as fitted for promotion under subparagraph (b) of this section in the ranks of lieutenant, lieutenant commander, and commander, up to a total of 25 percent of the numbers designated as best fitted for promotion, a group be formed to perform specialist duties in the Navy such as engineering, communication, and such other specialist duties as the Bureau of Navigation may deem necessary.

"Such officers will be afforded the same opportunities for promotion as those in the regular line group under the same rules of eligibility except that captains and rear admirals in this group need not perform 2 years' sea duty in their grade in order to be eligible for promotion: And provided further, That officers desiring transfer to this group must elect to do so and such transfer must be approved by a board specially constituted by the Bureau of Navigation."

Mr. HOBBS. Mr. Chairman, this amendment speaks for itself. It seeks to set up aside from the regular line of the Navy a corps of specialists to do those expert duties which need specialists to perform. At the present time if an officer is detailed to any such duty, no matter how great his skill may be in that particular field, he seeks to get back to sea so that he may be promoted along the regular line in the officer personnel of the Navy; whereas the interests of the Government and the people seem to me to require that a man who is peculiarly trained and exceptionally well fitted for any specialist duty should stay with his specialty and thereby, year by year, increase his fitness in that particular field and stay there throughout the course of a normal career, and be guaranteed, as this amendment does, that he will have the same chance for promotion as though he went to sea.

There are instances where we have kicked them out of the Navy. They have been snapped up by big corporations shortly after we kicked them out, and the corporations have paid them 2, 3, 4, and even 10 times the salary Uncle Sam has been paying them.

I want efficiency in the Navy of the United States. The taxpayers deserve nothing less, and we as Representatives of all the people, including the taxpayers and the officers, should provide nothing less than a corps of specialists segregated to their specialties and guaranteed the same rights of promotion as though they had gone to sea.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I gladly yield to the distinguished gentleman from New York.

Mr. WADSWORTH. Does the gentleman believe that an officer in the Navy who, we will say, following the spirit of the gentleman's amendment, spends 15 or 20 years' service working in a specialty, would be regarded as fit to command a fleet at sea?

Mr. HOBBS. Certainly not; and we do not so expect or require. As a matter of fact, in the technical services, nothing like that has happened, or could ever happen. Two or three "engineering duty only" officers have been assigned to shore command, as at a navy yard, or something like that. This was very thoroughly gone into in the hearings. There is no chance that a man in a specialist's field would ever be detailed to sea command.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I hope the Committee will not adopt this amendment. The committee has worked out a program for a fair and equitable selection system. The amendment offered by the gentleman from Alabama, while not intended to be such, would be a monkey wrench thrown into an otherwise smoothly working machine. I hope the Committee will promptly vote down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 16, line 1, strike out all of subsection (g) and insert the following:

"(g) Officers who fail on the professional examination to establish their eligibility for selection, as provided by section 7 (d) of this act, shall be placed upon the retired list with retired pay computed as provided in subsection (b) of this section on June 30 of the fiscal year in which said failure occurs: *Provided*, That officers of the grade of lieutenant (junior grade) who fail on such professional examination shall not be retired but shall be discharged with 1 year's pay."

Mr. HOBBS. Mr. Chairman, this amendment substitutes the provision which the distinguished chairman of the Naval Affairs Committee of the House wrote in his bill, H. R. 9315, for the one that is now contained in the Scott bill. The chairman's bill originally applied this provision to lieutenants, junior grade, and no one can complain about that because if a lieutenant, junior grade, having served just a few years in the Navy, comes up before the promotion board the first time and is found not fitted for promotion, why, it is fair to say to the young man, "You have chosen the wrong profession. You have not made good, and out you go with 1 year's full pay." That is fair. But under the provision of the Scott bill they have broadened it to include all officers. We have a captain who has served for 35 distinguished years in the service of the Navy and the service of his Nation. He comes up before a selection board, being considered for an admiralty. They may say, "We regret to inform you that you are not fitted for promotion," in which event he goes on the retired list and draws retired pay the rest of his life. But, get this distinction: If that same man were selected for promotion and then fails on his professional examination, then he is kicked out with 1 year's pay.

Mr. MAAS. Will the gentleman yield?

Mr. HOBBS. I yield to the gentleman from Minnesota.

Mr. MAAS. Does the gentleman think if an officer during all those years of service has not so qualified himself that he can pass an examination for the next higher grade that he owes him retirement for life? He has not done his part. Does the gentleman think we ought to put him on retirement? I think we are being very generous to give him a year's pay.

Mr. HOBBS. In answer to the gentleman's question, I think anyone with intelligence above the level of the imbecilic doodle would know it is a dead letter which is being written here unless you mean it to be used on those who have incurred disfavor. There will never be a man fail on such an examination unless the powers that be wish to punish him. I want to lessen, not increase, punitive power. I want to save, not wreck, morale. I do not mean to say that you gentlemen of the committee intend such consequences. You distinguished gentlemen know more about this thing in a minute than a mule could kick into my head in a year.

Mr. MAAS. The gentleman is imputing bad faith to the Navy then.

Mr. HOBBS. No. I submit it is a very anomalous situation when a man fails of selection and gets retired pay for life, but the man who is selected may by failure to pass his professional examination be cut off with 1 year's pay. It is not right. It is not fair. If you want it in there, God bless you, go to it. I am just saying that it is the most absurd thing that mortal men in our capacity have ever put on the statute books.

Mr. Chairman, I submit that the amendment I have offered ought to prevail and that the provision of your bill, may I say to the gentleman from Georgia, should be written back into this law in place of this, which does not speak your mind, the mind of the committee, nor the mind of this Congress.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Alabama.

Mr. Chairman, I ask that the Committee vote down this amendment. The issue is clean-cut. If a man cannot qualify professionally, he goes out of the service so far as the Army and Navy are concerned.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FULLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 9997) to regulate the distribution, promotion, and retirement of officers in the line of the Navy, and for other purposes, pursuant to House Resolution 463, he reported the same back to the House with sundry amendments agreed to in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendments to final passage.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Under a previous special order of the House, the gentleman from Illinois [Mr. ALLEN] is recognized for 15 minutes.

Mr. ALLEN of Illinois. Mr. Speaker, during this coming week the Appropriations Committee of the House will have under consideration the proposal offered by the President for a pump-priming program, so-called, which includes in it appropriations of \$1,450,000,000 for grants and loans for public works.

The purpose of these grants and loans is to stimulate business. To spread purchasing power. To encourage industry. To begin new activities in order to help the Nation out of the present depression.

The administration of this \$1,450,000,000 will be under the control of the Secretary of the Interior, Harold L. Ickes.

One of the basic causes of the present depression, Mr. Speaker, is generally recognized to be fear. Fear on the part of capital; fear on the part of industry; fear on the part of the people. The fear of capital is that the punitive policies of the last 5 years under the New Deal are to be continued. That there is to be in the future more of the same sort of emotionalism, stirring up of class hatreds and class strife, which has been so much a part of our economic and social life for the past 5 years. The fear of industry is that continued rising taxation, continued industrial strife and disorders, and impeding regulations and regimentation on the part of the Government will make it impossible for industry to make a profit or even to recover costs. The fear of the people is that we are drifting away from a constitutional, representative form of government and into a political autocracy under the



control of a gigantic bureaucracy, which today does exist in this Government.

These attacks lead to counterattacks on labor and thus is brought about a state of enmity, misunderstanding, and strife. Labor, sympathetic, cooperative labor, is, of course, an indispensable necessity to any success of industry and capital. The interests and the welfare of one are the interests and the welfare of the other. The injury of industry is the injury of labor. Unfairness to labor is unfairness to industry. We need cooperation, not dissension, between them.

Until these fears are stilled, no amount of money put into pump-priming projects will permanently restore prosperity or stop this depression. It is true that with these copious doses of public expenditures and loans an illusion of renewed industrial and commercial activity can be produced for a time. But that illusion not only will have to be produced at a terrible cost to the taxpayers, but the illusion will end when the pump priming has to stop.

We all recognize that it is impossible for the Government to go on borrowing and spending without regard to the mounting national debt and an unbalanced Budget. As a matter of fact, this mounting national debt and unbalanced Budget are two causes for these fears which have paralyzed the economic activities of the Nation. That is the reason I intend to vote against these gigantic expenditures.

There is nothing new about the principle of borrowed lending and spending. We have had it with us for 5 years, with the result that we are today in the same old depression, with as many or more of our wage earners unemployed today as there were when Franklin Delano Roosevelt assumed the Presidency. Since this is true it is apparent that something more than reckless borrowing, lending, and spending is required. That is a change of attitude on the part of the administration toward business.

Foremost among those of the administration spokesmen who have made it a studied practice to assail capital because it is capital, to assail industry merely because it is big, to assail the rich simply because they are rich, is the Secretary of the Interior, Mr. Ickes.

Not only has Mr. Ickes assailed capital and industry and the wealthy, but he has assailed them in such violent terms and in such appeals to the emotional prejudices of the people that great damage has been wrought. Much fear has been generated and grave hesitancy has been produced on the part of capital and industry which has resulted in a stopping down of industry in this country. These fears have operated not only against big capital, and big industry, but they have operated in the same way against small capital and small industry. In speeches ringing with such violent phrases as "corporate czars" and "corporate overlords" and "feudalists" Secretary Ickes has time after time appealed to partisan and class prejudices against capital and industry in this country. In his attack last December before the American Civil Liberties Union in New York, Mr. Ickes pilloried the mythical "60 families."

Our economic life is no longer dominated by individuals acting in defense of their property—

He said—

but by large corporations whose powers, like those under feudalism, are more nearly akin to government than those of an individual. We are just beginning to understand the degree to which giant corporations have assumed overlordship over the civil rights and substantive liberties of the individual.

The United States Supreme Court has gone far to convert the Bill of Rights, which was intended as a charter of freedom, into a charter of corporate privilege—

Was another of his intemperate charges. Much of the press, Mr. Ickes said—

is under the domination of a handful of corporate publishers who may print such news as they wish to print and omit such news as they do not wish to print. Our ancestors did not fight for the right of a few lords of the press to have almost exclusive control and censorship over the dissemination of news and ideas.

Here is another of Mr. Ickes' appeals to prejudice:

Employers who deny to their workers the right to associate together in a labor union for the common good of all frequently

declare that they do so because of communistic influences which are at large in their factories. It does not require much intelligence to see that such "communism" may become a wooden horse within the bowels of which ruthless fascism may enter the shrine of liberty.

As a matter of fact, it is the fascist-minded men of America who are the real enemies of our institutions. They have solidarity, a common interest in seizing more power and greater riches for themselves, and ability and willingness to turn the concentrated wealth of America against the welfare of America. It is these men who, pretending that they would save us from dreadful communism, would superimpose upon America an equally dreadful fascism.

Here is another example of the intemperate attacks which have so frightened the country that the depression again made itself manifest:

Despite individual differences, monkeys can manage to live among monkeys and men among men, but Lilliputians cannot live among Gargantuans. Today the average man, be he farmer, laborer, or businessman, is subservient in numerous ways to concentrated economic power vested, not in the State, but in irresponsible and self-constituted corporate oligarchy, benevolent and paternalistic at its best, despotic and predatory at its worst.

The individual, weak and helpless in his struggles with and against corporate power, has turned to government for protection only to find that corporate power frequently controls government. Government protection, when obtained, unfortunately has often been frustrated by the courts, the traditional defenders of civil rights and liberties.

The struggle of the individual against the oppression of corporate power has only just begun. By no means has it been won. Large corporations dictate the wages and hours of millions of workers.

Supposedly liberal writers, who have droned on quietly for years while the Tom Girdlers, the Jimmy Rands, and other corporate czars dictated the labor policies of the Nation, suddenly become alarmed for human liberty when it is proposed that the State protect the worker who cannot protect himself.

Mr. Speaker, I could go on with quotation after quotation showing the attitude and the intemperate utterances of the Secretary of the Interior, under whose jurisdiction these loans and grants of \$1,450,000,000 will be administered. What I suggest today is that when the Secretary of the Interior appears before the Appropriations Committee this week that committee should see to it that a definite promise is given by Secretary Ickes that he will cease such attacks against business.

We will get nowhere, Mr. Speaker; the spending of all this money will avail us nothing, if concurrently with its expenditure these violent attacks upon business by spokesmen for the administration are to continue.

I have no desire whatever to curb Mr. Ickes' right of free speech or to curb the right of any individual in this country to free speech and the free expression of his opinions. What I do say is, however, that when any individual assumes the power and the prestige of such an office as the Secretary of the Interior holds, he also assumes the responsibility to study well his public utterances and to exercise that restraint which should be exercised by any official whose public utterances can and do affect the economic stability of the Nation.

That responsibility that rests upon a public official to consider carefully the effect of any utterances he might be tempted to make and to temper his language and his manner of utterance so as to express what he may believe to be facts without nurturing class or partisan enmities and strife and without generating fears which will operate against the welfare of the Nation is one which I feel Secretary Ickes has not sufficiently considered at all times.

Therefore, I believe the Appropriations Committee should have a very definite understanding with the Secretary of the Interior as to whether or not he is going to continue his tirades against business, against industry and against capital in the same intemperate way he has in the past, in order that this Congress may know what to expect if these appropriations are approved. [Applause.]

#### THE RECOVERY PROGRAM

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.



Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to have read in my time a copy of a letter that was written to the President of the United States and also to have read what purports to be the beginning of a great flood of propaganda coming to the Members of the House, in that printed petitions against the so-called recovery, or, as some people call it, the pump-priming program, are being circulated and signatures asked. The letter to the President was not signed by the writer for the reason, as he states, "I don't sign my name because I would lose my job."

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. RAYBURN. After this letter is read.

Mr. MICHENER. Reserving the right to object, Mr. Speaker—

Mr. RAYBURN. Is the gentleman going to object to my having this letter read?

Mr. MICHENER. No. I was just going to ask the gentleman if he was going to include the petitions that are being circulated among W. P. A. workers in which they are being asked to write us down here to support this pump-priming legislation.

Mr. RAYBURN. No; because I do not have that. Nothing like it has come to my desk, no petition or letter or anything of the sort.

Mr. MICHENER. If we furnish the gentleman a copy will he include it with these documents?

Mr. RAYBURN. No.

The Clerk read as follows:

MY DEAR MR. PRESIDENT: I thought you (and Jim Farley) might be interested in copies of the new propaganda about to be launched on Members of Congress against your recovery program, and that your leaders in Congress might get ahead of this and take the teeth out of it before they get started by letting them know beforehand where the stuff actually originates. This is being originated in a large corporation in Detroit, Mich., the same outfit that got the "chain telegrams" started by their henchmen in the different States (10 by 10 by 10, etc.), many of which were signed by minor children, babes in arms, and even the family pet poodle, and Congress fell for it like a ton of brick, so they are about to try it again. But the minor children and pet poodles can't vote. And what a lot of cars it will take to pay for this support.

Wishing you all success.

Your supporter 100 percent.

(I don't sign my name because I would lose my job.)

#### STOP! LOOK! LISTEN!

This is something for you to do—for yourself and your country. And if you don't do it then stop kicking. Read the attached petition. Then spend a few dollars and have a thousand copies of it mimeographed or printed. If you can write a better petition—that's all right. Do it. If you can improve on this petition by additions—that's all right. If you don't agree with some points in this petition—strike them out.

But do something about it.

First: Get signatures in triplicate on three copies of the petition—as many signatures as you can collect. Send one copy to your Congressman and one to each of your Senators.

Second, and most important: Send copies of the petition, with this sheet of instructions attached, to friends—so they can act, too. Don't pick friends just around you, in your own locality. Reach out into other cities and other States. Help get the ball rolling all over the Nation.

Finally: Do it today. It is the eleventh hour. It is time to be men of action.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to place in the RECORD at this point a copy of the proposed petition. It is not too long, I am sure.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The petition referred to follows:

Sir: We address to you, as an honored Member of our Congress, a petition.

To the extent you subscribe to, work for, support, and promote the program it presents, we believe you will serve your constituents, your country, and your God. We commend this program to you.

We pledge to you our future support in the degree to which you cooperate, with all others, in saving our Nation from the depression, despair, and defeat to which the un-American policies of the immediate past are bringing us today.

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#### A PETITION

We are alarmed at the proposal that this business depression be fought with an extravagant program of wasteful expenditure of public moneys by the Government. This method has been tried once and failed. The problem of unemployment was never solved by this method. The public debt has been tremendously increased to no avail. The burden of taxation has been tremendously increased to no avail, without benefit to the people. To repeat again at this time the same futile program is monstrous folly. To fall again after further extravagant waste of money would be ruinous.

We believe the concentration of power in the hands of the President—originally demanded by him to meet an emergency and now assumed by him as a vested right—has proved only to be a menace to our liberty, a threat to the safety of our livelihood, and a blight to any hope of economic progress or stability so long as it is permitted to persist. We believe the executive control of the expenditures of money—and the distribution of patronage in particular—has degraded our National Congress, has subjected Senators and Congressmen to executive coercion, and if continued will destroy the functioning of democratic legislative government and the political independence of the people's representatives to do the people's will. We believe in democratic government by the legislative action of the people's representatives. We do not believe in bureaucratic rule by the executive branch of the Government—however brilliant, sincere, and public-spirited its leadership.

We believe the road to our prosperity, safety, stability, and progress demands thrift and prudence in the conduct of the Government, just as in each citizen's personal conduct and expenditures. We believe wealth is created by work. We believe the standard of living is only raised by increased production of more and more things available to all people at lower and lower prices.

We believe competition in industry should be fostered and the welfare of the people protected from exploitation by those producers who by conspiracies among themselves seek to raise prices, restrict production, and accomplish monopolies to obtain profits out of proportion to the value of their services to the public and with consequent imposition of hardships on the people.

We believe in the inalienable right of all men to work at any job they can get for as many hours as they choose at such wages as they may elect to accept. We believe the whole resources of Government—National, State, and local—should be used to assure this right to every individual; to protect his person and his property from assault and damage, and to repress those forces of disorder and lawlessness that have come to terrorize us and deprive us of our traditional liberties and freedom as individuals to work out our own problems.

We believe this Nation is still so rich that no man, woman, or child should be allowed to be cold, hungry, or unsheltered, but we have learned the program for relief and abatement of unemployment imposed in recent years is cruel, wasteful, ineffective, hopeless. We believe relief in the future should be extended by appropriations to the Red Cross for use when really needed and on the most economical basis. We believe in this way every citizen of this Nation would again be brought to realize that his welfare is primarily his own responsibility and not the Government's. We believe the administration of all relief, through the Red Cross or otherwise, should be dealt with as a local problem, by local people, adapted to local conditions as only local people can know them, and absolutely divorced from political influences of any kind. We believe that failure to recognize these facts and to abandon the present wasteful, extravagant, and degrading policies will inevitably ruin us all individually, and ultimately destroy the credit of our Government upon which we all depend for the safety of ourselves, our children, our property, and all that we hold dear.

To the end that this depression may be halted, the road to prosperity resumed, and the future of our country assured, we believe the Congress of the United States should immediately assume the responsibility of initiating and carrying out on a non-partisan basis a recovery program which should embrace:

1. A program of rigid economy looking to a balanced National Budget at the earliest possible moment.

2. A legislative policy drastically restricting the power of the President to control the expenditure of money and the distribution of patronage, curtailing his excessive existing powers, curbing his further infringement on the independence of Congress, and restoring to Congress the responsibility for the legislative program of the country.

3. Immediate simplification and rationalization of our tax laws designed to offer private industry an opportunity to expand and prosper, and to equitably distribute over the broadest possible base the high tax load we are doomed to bear because of previous folly. Every citizen with a margin above bare necessities should contribute something directly to the cost of his government in order that he may develop and sustain an intense interest in the efficiency and economy of its operation.

4. Immediate repeal or most drastic amendment of the Wagner Labor Relations Act, which in its present form has been the principal cause of the strife between labor racketeers and capital to the distress of the public generally and laboring men and women themselves.

5. Immediate discontinuance of the campaign against public utilities in order that they may again contribute to the prosperity of the country.

6. Elimination of all control over railroads by the I. C. C., except its authority to regulate operations in the interest of safety and to prevent discriminations between users of their services, in order



that American initiative may again function in the development and operation of our great railroad systems.

7. Immediate resumption of a sound-money program based upon gold and the restoration to the people of their right to acquire and hold gold at any time the conduct of the Government or the banking system makes such holdings seem advisable, thereby making it incumbent upon the Government and the banks to so conduct their fiscal policies as to merit the confidence of the people.

8. The application of the spirit of the policies and viewpoint indicated in the foregoing seven points to every detail and branch of governmental activity, too numerous to list here, but in the aggregate of paramount importance.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, on the other side of this same question, there may be some justification for the concern shown by taxpayers in view of what is reported in the press of today as to the conditions being attached to the distribution of W. P. A. relief. In the Washington News of today our attention is called editorially to a questionnaire which is sent out for W. P. A. workers to sign in Kalamazoo, Mich. It is known as Form 100 and is entitled, "Application for endorsement by Kalamazoo (Mich.) County Democratic Committee." The following are the questions that must be answered correctly before an applicant is entitled to W. P. A. relief, according to the editorial:

Did you vote in the primary of September 1937? Democratic? Republican?

Did you vote in the primary of September 1934? Democratic? Republican?

Are you a member of any Democratic organization or club? Where?

Did you vote in the election of November 1934?

Have you contributed to any Democratic organization in Kalamazoo County? To whom? How much since August 1, 1932?

I believe industry and business and every taxpayer in the United States have a right under these conditions to petition the Congress in an endeavor to prevent political use of the vast amount of money which will be spent throughout the country if the so-called relief proposal becomes law. We should make sure that this money is spent for relief and not to build up a huge political slush fund to be used to influence the 1938 elections. [Applause.]

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. JARMAN, for 10 days, on account of important business.

To Mr. GRAY of Indiana, for 3 days, on account of public business.

To Mr. REECE of Tennessee, for 3 days, on account of sessions of Board of Visitors to United States Naval Academy.

To Mr. BOYER, for balance of week, on account of important business.

#### EXTENSION OF REMARKS

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a copy of a letter written by former United States Senator Robert L. Owen, of Oklahoma, and addressed to Hon. HATTON W. SUMNERS, chairman of the House Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3915. An act conferring jurisdiction upon the United States District Court for the Eastern District of Virginia to hear, determine, and render judgment upon the claim of the Tidewater Construction Corporation;

H. R. 5338. An act for the relief of George Shade and Vava Shade;

H. R. 5731. An act for the relief of Ruth Rule, a minor;

H. R. 5737. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of George W. Hall against the United States;

H. R. 5793. An act for the relief of Nathaniel M. Harvey, as administrator of the estate of Josephine Fontana, deceased;

H. R. 6370. An act for the relief of John Calareso, a minor;

H. R. 8993. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1939, and for other purposes; and

H. R. 9544. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1939, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1882. An act for the relief of the Consolidated Aircraft Corporation.

#### JOINT RESOLUTIONS AND BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, joint resolutions and bills of the House of the following titles:

On April 22, 1938:

H. J. Res. 463. Joint resolution to permit the transportation of passengers by Canadian passenger vessels between the port of Rochester, N. Y., and the port of Alexandria Bay, N. Y., on Lake Ontario and the St. Lawrence River;

H. J. Res. 627. Joint resolution providing an additional appropriation for the Civilian Conservation Corps for the fiscal year ending June 30, 1939; and

H. R. 9257. An act to extend the time for completing the construction of a bridge across the St. Clair River at or near Port Huron, Mich.

On April 25, 1938:

H. R. 3915. An act conferring jurisdiction upon the United States District Court for the Eastern District of Virginia to hear, determine, and render judgment upon the claim of the Tidewater Construction Corporation;

H. R. 5338. An act for the relief of George Shade and Vava Shade;

H. R. 5731. An act for the relief of Ruth Rule, a minor;

H. R. 5737. An act to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of George W. Hall against the United States;

H. R. 5793. An act for the relief of Nathaniel M. Harvey, as administrator of the estate of Josephine Fontana, deceased;

H. R. 6370. An act for the relief of John Calareso, a minor;

H. R. 8993. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1939, and for other purposes; and

H. R. 9544. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1939, and for other purposes.

#### ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 26, 1938, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON INSULAR AFFAIRS

There will be a meeting of the Committee on Insular Affairs in room 113, House Office Building, Tuesday, April 26, 1938, at 10:30 a. m., for the consideration of H. R. 10050, which authorizes the legislature of Puerto Rico to create public corporate authorities to undertake slum clearance and projects, to provide dwelling accommodations for families of low income, and to issue bonds therefor, to authorize the legislature to provide for financial assistance to such authorities by the government of Puerto Rico and its municipalities, and for other purposes.

## COMMITTEE ON THE CIVIL SERVICE

The Committee on the Civil Service will begin hearings on the general subject of civil-service retirement on Tuesday, April 26, 1938, at 10:30 a. m., in room 246, House Office Building.

## COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs, Tuesday, April 26, 1938, at 10:30 a. m., in the committee rooms in the Capitol Building, for the consideration of the following: House Resolution 465, requesting the President of the United States to submit certain data relative to treaties between nations; House Joint Resolution 659, to authorize an appropriation for the expenses of participation by the United States in the Third Pan American Highway Conference; House Joint Resolution 660, International Union of Geodesy and Geophysics.

## COMMITTEE ON THE JUDICIARY

Subcommittee No. 1 of the Committee on the Judiciary will hold further hearings on the bill (H. R. 9745) to provide for guaranties of collective bargaining in contracts entered into and in the grant or loans of funds by the United States, or any agency thereof, and for other purposes, at 10 a. m. on Wednesday, April 27, 1938. The hearings will be held in the Judiciary Committee room, 346 House Office Building.

## COMMITTEE ON THE LIBRARY

The Committee on the Library will hold hearings at 10:30 a. m. on Wednesday, April 27, 1938, in room 1536, New House Office Building, on House Joint Resolution 626—the Columbian Fountain.

## COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Bridge Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., Wednesday, April 27, 1938. Business to be considered: Continuation of hearing on H. R. 9740—Wilmington (Del.) Bridge.

## COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. on Tuesday, May 3, 1938, on H. R. 10335, to amend section 301 of the Merchant Marine Act of 1936.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1263. A letter from the Acting Secretary of Agriculture, transmitting a recommendation for legislation to prohibit the unauthorized use of the name or insignia of the 4-H clubs; to the Committee on Agriculture.

1264. A letter from the Secretary of the Navy, transmitting the draft of a proposed bill to authorize certain officers of the United States Navy and of the United States Marine Corps to accept such decorations as have been tendered them by foreign governments in appreciation of services rendered; to the Committee on Naval Affairs.

1265. A letter from the Acting Secretary of the Treasury, transmitting the copy of a proposed bill to adjust the compensation of the members of the National Advisory Health Council not in the regular employment of the Government; to the Committee on Interstate and Foreign Commerce.

1266. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 7, 1938, submitting a report, together with accompanying papers and illustration, on reexamination of Sangamon River, Ill., with a view to levee improvement along Salt Creek in the vicinity of Middletown, Ill.; and extending levee improvement work on north side of river in farmers levee and drainage district, requested by resolution of the Committee on Flood Control, House of Representatives,

adopted April 14, 1937 (H. Doc. No. 604); to the Committee on Flood Control and ordered to be printed, with illustration.

1267. A letter from the Acting Comptroller General of the United States, transmitting a report and recommendation to Congress concerning the claim of Oscar L. Mather, Madison Lake, Minn.; to the Committee on Claims.

1268. A letter from the Secretary of War, transmitting the draft of a bill authorizing the President to present gold medals to Mrs. Robert Aldrich and Anna Bouligny; to the Committee on Military Affairs.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR of New York: Committee on Rules. House Resolution 470. Resolution providing for the consideration of H. R. 10315, a bill to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes; with amendment (Rept. No. 2220). Referred to the House Calendar.

Mr. DIMOND: Committee on the Territories. H. R. 5894. A bill to authorize the Territory of Alaska to incur bonded indebtedness, and for other purposes; with amendment (Rept. No. 2223). Referred to the House Calendar.

Mr. DIMOND: Committee on the Territories. H. R. 9912. A bill to convey to the University of Alaska a tract of land for use as the site of a fur farm experiment station; without amendment (Rept. No. 2225). Referred to the Committee of the Whole House on the state of the Union.

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 10119. A bill to amend section 15 of the act of June 29, 1906, as amended (U. S. C., title 8, sec. 405); without amendment (Rept. No. 2226). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. House Joint Resolution 647. Joint resolution to increase by \$15,000 the amount authorized to be appropriated for the observance of the anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory; without amendment (Rept. No. 2227). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. S. 2326. An act to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States," approved February 7, 1925; with amendment (Rept. No. 2228). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 10371. A bill for the relief of sundry claimants, and for other purposes; with amendment (Rept. No. 2188). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. H. R. 4367. A bill for the relief of Perry Walker; with amendment (Rept. No. 2189). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 6952. A bill for the relief of Hattie Doudna; with amendment (Rept. No. 2190). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 8417. A bill for the relief of John B. Dollison; with amendment (Rept. No. 2191). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 8544. A bill for the relief of Alba C. Mitchell; with amendment (Rept. No. 2192). Referred to the Committee of the Whole House.

Mr. CASE of South Dakota: Committee on Claims. H. R. 8696. A bill for the relief of Ruby Z. Winslow; with



amendment (Rept. No. 2193). Referred to the Committee of the Whole House.

Mr. DREW of Pennsylvania: Committee on Claims. H. R. 8723. A bill for the relief of Spencer D. Albright; with amendment (Rept. No. 2194). Referred to the Committee of the Whole House.

Mr. DREW of Pennsylvania: Committee on Claims. H. R. 9142. A bill for the relief of J. J. B. Hilliard & Son, of Louisville, Ky.; with amendment (Rept. No. 2195). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 9196. A bill for the relief of J. T. Burt and Alice Burt; with amendment (Rept. No. 2196). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 9277. A bill for the relief of James M. Wright; with amendment (Rept. No. 2197). Referred to the Committee of the Whole House.

Mr. CASE of South Dakota: Committee on Claims. H. R. 9825. A bill for the relief of Raymond Pledger and Thomas P. Giacomini, Jr.; without amendment (Rept. No. 2198). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 546. An act for the relief of Annie Mary Wilmuth; with amendment (Rept. No. 2199). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. S. 821. An act for the relief of Lawson N. Dick; without amendment (Rept. No. 2200). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 865. An act for the relief of Alceo Govoni; with amendment (Rept. No. 2201). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. S. 1274. An act to confer jurisdiction upon the United States District Court for the District of Nebraska to determine the claim of John H. Owens; with amendment (Rept. No. 2202). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1340. An act for the relief of A. D. Weikert; without amendment (Rept. No. 2203). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1788. An act for the relief of William J. Schwarze; with amendment (Rept. No. 2204). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2023. An act for the relief of Charles A. Rife; without amendment (Rept. No. 2205). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 2532. An act for the relief of Mrs. G. R. Syth; with amendment (Rept. No. 2206). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 2709. An act for the relief of Mr. and Mrs. Joseph Konderish; without amendment (Rept. No. 2207). Referred to the Committee of the Whole House.

Mr. COFFEE of Washington: Committee on Claims. S. 2770. An act for the relief of Elizabeth F. Quinn and Sarah Ferguson; without amendment (Rept. No. 2208). Referred to the Committee of the Whole House.

Mr. DREW of Pennsylvania: Committee on Claims. S. 2798. An act for the relief of Edith Jennings and the legal guardian of Patsy Ruth Jennings; with amendment (Rept. No. 2209). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 2802. An act for the relief of the legal guardian of Carl Orr, a minor; without amendment (Rept. No. 2210). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 2876. An act for the relief of Mark H. Doty; without amendment (Rept. No. 2211). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 2979. An act for the relief of Glenn Morrow; without amendment (Rept. No. 2212). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. S. 3079. An act for the relief of George W. Breckenridge; with amendment (Rept. No. 2213). Referred to the Committee of the Whole House.

Mr. CASE of South Dakota: Committee on Claims. S. 3102. An act for the relief of the estate of Raquel Franco; without amendment (Rept. No. 2214). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 3300. An act for the relief of Pearl Bundy; without amendment (Rept. No. 2215). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3379. An act for the relief of Arthur T. Miller; without amendment (Rept. No. 2216). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3410. An act for the relief of Miles A. Barclay; without amendment (Rept. No. 2217). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 3512. An act for the relief of Elizabeth Cory; without amendment (Rept. No. 2218). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. S. 3543. An act authorizing the Comptroller General of the United States to settle and adjust the claim of Earle Lindsey; without amendment (Rept. No. 2219). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 9731. A bill for the relief of James J. Coyne; without amendment (Rept. No. 2224). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. H. R. 1754. A bill for the relief of Neil McGilloway; with amendment (Rept. No. 2229). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. House Joint Resolution 371. Joint resolution for the relief of R. P. Clarke, trading as R. P. Clarke Co.; with amendment (Rept. No. 2230). Referred to the Committee of the Whole House.

#### CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 8753) for the relief of Choctaw Cotton Oil Co., of Ada, Okla., and the same was referred to the Committee on War Claims.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Wisconsin: A bill (H. R. 10372) to protect and conserve the earnings of child actors and actresses in the movies; to the Committee on Interstate and Foreign Commerce.

By Mr. BARRY: A bill (H. R. 10373) to amend section 705 of the World War Adjusted Compensation Act, as amended; to the Committee on Ways and Means.

By Mr. ELLIOTT: A bill (H. R. 10374) to protect American labor, to insure employment opportunities for America's workers, to increase the purchasing power of America's farmers, to provide markets for the products of America's workers and America's farmers, to relieve the distress created through the entry into American markets of articles, goods, or commodities, the products of foreign workers, at total landed costs (including the payment of tariff duties, if any) which are less than the costs of production of similar or comparable articles, goods, or commodities, the products of America's workers and America's farmers; to the Committee on Ways and Means.

By Mr. CARTER: A bill (H. R. 10375) holding members of the telephone-operating units, Signal Corps, American Expeditionary Forces, to have served in the military service of the United States; to the Committee on Military Affairs.

By Mr. KELLER: A bill (H. R. 10376) for the relief of certain workers performing emergency work at Cairo, Ill., in the Ohio River flood of 1937; to the Committee on Claims.

By Mr. BOILEAU: A bill (H. R. 10377) to prescribe rules for the enrollment of Menominee Indian children born to enrolled parents, and for other purposes; to the Committee on Indian Affairs.

Also, a bill (H. R. 10378) to authorize sustained yield forest management, the cutting of timber, the sale of logs, and the manufacture and sale of lumber, on the Menominee Indian Reservation in the State of Wisconsin, and for other purposes; to the Committee on Indian Affairs.

By Mr. IZAC: A bill (H. R. 10379) to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif.; to the Committee on Agriculture.

By Mr. KENNEDY of Maryland: A bill (H. R. 10380) to amend the act to incorporate the Society of American Florists and Ornamental Horticulturists within the District of Columbia; to the Committee on the District of Columbia.

By Mr. LUTHER A. JOHNSON: A bill (H. R. 10381) to reduce the rate of interest on home loans made on a cash basis by the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

By Mr. RAMSPECK: A bill (H. R. 10382) to amend sections 6 and 7 of the act entitled "An act for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States," approved June 29, 1936; to the Committee on the Civil Service.

By Mr. OLIVER: A bill (H. R. 10383) to extend the times for commencing and completing the construction of a bridge across the Piscataqua River at or near Portsmouth, N. H.; to the Committee on Interstate and Foreign Commerce.

By Mr. VOORHIS: A bill (H. R. 10384) to authorize the Works Progress Administration to make grants to aid in assisting cooperative and self-help associations for the barter of goods and service; to the Committee on Appropriations.

Also, a bill (H. R. 10385) to create a Public Works Finance Corporation, to provide for an orderly and sound use of the credit of the Government of the United States, to increase employment, to provide accurate accounting of Government expenditures and national assets, and for other purposes; to the Committee on Banking and Currency.

By Mr. SAUTHOFF: A bill (H. R. 10386) to amend the Social Security Act with respect to vocational rehabilitation; to the Committee on Ways and Means.

By Mr. CHANDLER: A bill (H. R. 10387) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, and for other purposes; to the Committee on the Judiciary.

By Mr. MAY (by request): A bill (H. R. 10388) to authorize the transfer to the jurisdiction of the Secretary of the Treasury of portions of the property within the military reservation known as the Morehead City Target Range, N. C., for the construction of improvements thereon, and for other purposes; to the Committee on Military Affairs.

By Mr. BEITER: A bill (H. R. 10389) to promote the general welfare through Federal cooperation in the construction and undertaking of useful Federal and non-Federal projects and public works, to create in the Department of the Interior a United States Public Works Administration, and to define its powers and duties, and for other purposes; to the Committee on Appropriations.

By Mr. CELLER (by request): A bill (H. R. 10390) to promote the general welfare by means of financial assistance to the several States and Territories for the purpose of enabling them to provide extended opportunities for public education and educational services; to the Committee on Education.

By Mr. JACOBSEN: A bill (H. R. 10391) creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Missis-

sippi River at or near Dubuque, Iowa, and East Dubuque, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. TRANSUE: A bill (H. R. 10392) providing for the elimination of unemployment; to the Committee on Ways and Means.

By Mr. HAMILTON: A bill (H. R. 10393) to provide for the examination and survey with a view to determine the feasibility of providing an inland water route between the waters of Chesapeake Bay and the Intra-Coastal Waterway via Lynnhaven Inlet; to the Committee on Rivers and Harbors.

By Mr. BARTON: A bill (H. R. 10394) to amend the Corrupt Practices Act of 1925, and for other purposes; to the Committee on the Judiciary.

By Mr. HOFFMAN: Resolution (H. Res. 471) directing the Secretary of Agriculture to submit certain information; to the Committee on Agriculture.

By Mr. LAMNECK: Resolution (H. Res. 472) requesting the National Labor Relations Board to submit certain information; to the Committee on Labor.

By Mr. SCOTT: Resolution (H. Res. 473) authorizing an investigation of the controversy between the organization known as the Group Health Association and the Medical Society of the District of Columbia and the American Medical Association; to the Committee on Rules.

By Mr. MARTIN of Colorado: Joint resolution (H. J. Res. 662) directing the Federal Trade Commission to investigate the methods employed by the manufacturers of motor-vehicle tires; to the Committee on Interstate and Foreign Commerce.

By Mr. MEAD: Joint resolution (H. J. Res. 663) to provide for the operation of the Peru and Indianapolis railway post office by motor vehicle over the public highways; to the Committee on the Post Office and Post Roads.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KENNEDY of Maryland: A bill (H. R. 10371) for the relief of sundry claimants, and for other purposes; to the Committee on Claims.

By Mr. ALESHIRE: A bill (H. R. 10395) granting a pension to Hazel Saylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10396) for the relief of Spencer Fitzpatrick; to the Committee on Claims.

By Mr. ALLEN of Pennsylvania: A bill (H. R. 10397) for the relief of George Kronfli; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 10398) for the relief of Della E. Bowman; to the Committee on Claims.

By Mr. BELL: A bill (H. R. 10399) for the relief of Jesse Claude Branson; to the Committee on Claims.

By Mr. CHAPMAN: A bill (H. R. 10400) for the relief of the heirs of George Washington Roberts; to the Committee on Claims.

By Mr. HAMILTON: A bill (H. R. 10401) for the relief of the Old Dominion Marine Railway Corporation; to the Committee on Claims.

Also, a bill (H. R. 10402) granting an increase of pension to Florence Sharp Grant; to the Committee on Pensions.

By Mr. KELLER: A bill (H. R. 10403) for the relief of Florence Jane Martin and Margaret Caldwell; to the Committee on Claims.

By Mr. KENNEDY of Maryland: A bill (H. R. 10404) for the relief of T. Worthington Hollyday; to the Committee on Military Affairs.

By Mr. OLIVER: A bill (H. R. 10405) granting a pension to Lillian M. Johnson; to the Committee on Pensions.

By Mr. SACKS: A bill (H. R. 10406) authorizing the Secretary of the Navy to bestow a gold medal on David Goldman; to the Committee on Naval Affairs.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 10407) granting an increase of pension to Ella L. Brownfield; to the Committee on Invalid Pensions.



By Mr. SWOPE: A bill (H. R. 10408) granting an increase of pension to Anna Witmyer; to the Committee on Invalid Pensions.

By Mr. BEVERLY M. VINCENT: A bill (H. R. 10409) granting a pension to Luther Skaggs; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 10410) for the relief of Frank A. Fain; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4916. By Mr. BARRY: Resolution of the Queens County Council, Veterans of Foreign Wars of the United States, concerning veterans who are employed at the Brooklyn Navy Yard as mechanics building naval vessels; to the Committee on Naval Affairs.

4917. By Mr. CARTER: Assembly Joint Resolution No. 15, passed by the Legislature of the State of California, now chapter 28 of the laws providing reduction in now existing quota for immigrants, registration of all aliens, and deportation at once of all aliens illegally in this country; to the Committee on Immigration and Naturalization.

4918. By Mr. COFFEE of Washington: Resolution of the Tide Flats Lodge, No. 366, Brotherhood of Railway Carmen of America, Tacoma, Wash., F. G. Rutherford, secretary, describing the grievous unemployment now prevailing in the railroad industry and therefore strongly urging the passage by the Congress of the Crossover 6-hour day bill and the full crew and train-limit bill so as to spread railroad employment among a greater number; to the Committee on Interstate and Foreign Commerce.

4919. Also, resolution, in the nature of a letter of the Wilmar-Garvey Democratic Club of Wilmar, Calif., C. C. Diamond, secretary, endorsing the Coffee bill for the establishment of a Federal Bureau of Fine Arts (H. R. 9102); to the Committee on the Library.

4920. By Mr. CURLEY: Petition of the Chicago Livestock Exchange, urging that in all future purchases for the Civilian Conservation Corps purchasing agents confine themselves entirely to the purchase of domestic-produced meats; to the Committee on Agriculture.

4921. Also, petition of the Post Office Custodial Local 52, Committee for Industrial Organization, United Federal Workers of America, urging enactment of the 5-day workweek; to the Committee on the Civil Service.

4922. By Mr. JENKS of New Hampshire: Resolution of the board of mayor and aldermen of Manchester, N. H., relative to memorializing Congress to enact into law House bill 4199, the General Welfare Act; to the Committee on Ways and Means.

4923. By Mr. LUTHER A. JOHNSON: Resolution of the Texas Good Roads Association, favoring the appropriation recommended by the House Roads Committee for highways, and also large appropriation for emergency public construction to relieve unemployment and stimulate business; to the Committee on Appropriations.

4924. By Mr. KENNEDY of New York: Petition of the Rome Chamber of Commerce, Rome, N. Y., in reference to the revision of the capital-gains and undistributed-profits tax; to the Committee on Ways and Means.

4925. Also, petition of the Paper Plate and Bag Makers Union, Local No. 107, New York City, concerning the recovery program recently submitted by the President; to the Committee on Ways and Means.

4926. Also, petition of the American Legion, New York City, advocating the retention of all post exchanges without restrictions; to the Committee on Military Affairs.

4927. Also, petition of the Wholesale Tobacco Distributors Association of New York, concerning the Senate amendment to the revenue bill, placing a tax on paper matches, etc.; to the Committee on Ways and Means.

4928. Also, petition of Philippines Post, No. 1164, American Legion, Brooklyn, N. Y., in reference to the passage of legislation toward the end that all Filipino World War veterans

may automatically become citizens of the United States; to the Committee on Immigration and Naturalization.

4929. By Mr. KEOGH: Petition of the York Ice Machinery Corporation, York Pa., branch office, Brooklyn, N. Y., W. A. Pusch, branch manager, concerning the Borah-O'Mahoney, Federal licensing bill (S. 3072); to the Committee on Interstate and Foreign Commerce.

4930. Also, petition of the Reserve Officers Association of the United States, Manhattan Chapter, New York City, concerning the establishment of post exchanges at Army posts and encampments; to the Committee on Appropriations.

4931. By Mr. LUCE: Memorial of the Massachusetts General Court, in opposition to inclusion of furniture and toys in reciprocal-trade agreements; to the Committee on Ways and Means.

4932. By Mr. MERRITT: Resolution of the American Society of Civil Engineers, urging that the congressional investigating committee, which Arthur E. Morgan requested and which Congress has established, make a thorough investigation of such matters as he may wish to place before it and that it give full publicity to all its proceedings; to the Committee on Rules.

4933. By Mr. PFEIFER: Petition of the United Shoe Workers of America, Washington, D. C., concerning the Wagner bill (S. 3390); to the Committee on Labor.

4934. Also, petition of the Retail Paint, Hardware, and Auto Accessories Employees Union, Local 104, New York City, urging support of the recovery program of the President; to the Committee on Ways and Means.

4935. Also, petition of the International Workers Order, City Central Committee, New York City, urging support of the President's recovery program; to the Committee on Ways and Means.

4936. Also, petition of the New York State Economic Council, Inc., New York City, opposing the O'Toole bill (H. R. 6245), the Celler bill (H. R. 10013), and the Dickstein resolution (H. J. Res. 637); to the Committee on Immigration and Naturalization.

4937. Also, petition of the Reserve Officers' Association of the United States, Manhattan Chapter, New York City, urging that post exchanges at Army posts and encampments be continued without restrictions of any kind; to the Committee on Military Affairs.

4938. Also, petition of the New York Joint Council of the United Office and Professional Workers of America, New York City, urging support of the President's recovery program, the Norton wage and hour bill, and the Wagner-Healey bill; to the Committee on Labor.

4939. Also, petition of the Newspaper Guild of New York, Local 3, New York City, endorsing the President's relief and recovery program; to the Committee on Ways and Means.

4940. Also, petition of the United Cannery, Agricultural, Packing, and Allied Workers of America, Washington, D. C., concerning House bill 9745; to the Committee on Labor.

4941. Also, petition of the Transport Workers' Union of America, New York City, endorsing the President's program for relief and public works; to the Committee on Ways and Means.

4942. By the SPEAKER: Petition of the Board of County Commissioners, Cascade County, Mont., petitioning consideration of their resolution dated April 18, 1938, with reference to House bill 4199, to provide for and promote the general welfare of the United States; to the Committee on Ways and Means.

## SENATE

TUESDAY, APRIL 26, 1938

(Legislative day of Wednesday, April 20, 1938)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

#### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calen-